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The Week

AUSTRIAN artillery is taking part in the fighting around Cambrai, and newspaper reports speak of Bulgarian troops to be brought up to the western front in the rôle of a strategic reserve. The Kaiser's reasons for calling upon his allies may be moral as well as military. It serves notice upon the Allies of the futility of any hopes based on the possibility of dissension between Germany and her junior partners. There is no denying that much was expected in Entente governing circles of a refusal by Austria to lend herself to German dreams of conquest. Mr. Wilson for a time made this hope one of the principal aims of his policy. At the very moment of our declaration of war upon Austria we extended to the Hapsburg peoples the invitation to cast off the rôle of vassal state. But the same forces which have subdued or bribed the democratic masses in Germany have apparently worked their will in Austria-Hungary. Whether Count Czernin played his part at Brest-Litovsk willingly or under coercion, seldom was a public statement so speedily and completely repudiated as the famous Czernin formula of no annexations. Close on Czernin's heels came the Austrian Premier with the assertion that Austrian troops would never be employed in military operations on the eastern front, whereupon Austrian troops marched into the Ukraine. Whether bribed or terrorized, the Hapsburgs seem to be playing the game of the Hohenzollern to the hilt.

MORE detailed reports concerning the Daimler Company scandal, now being aired in the Stuttgart courts, prove that accidents will happen even in the most Prussianized of nations. After three and one-half years of war, just when the world had been persuaded to believe that Germany was the last word in organization and efficiency, comes this revelation of graft, dishonesty, and profiteering by one of the greatest war-industry corporations in the Kaiser's dominions. This may be but negative comfort to us, on this side of the water; but comfort it is. We know by this sign, as well as many others, that all has not been going exactly as it should in Prussia.

THE tremendous events now taking place on the western front should not make us forget the importance of the Far Eastern situation. It is encouraging to note the respect paid in Japan to the attitude of President Wilson concerning intervention in Siberia, and the hearty welcome that the Japanese press accorded to his January messages dealing with the terms of peace. At an early stage of the Siberian discussion it became evident that there was to be no pounce upon the frozen northern empire, but that Japanese statesmen were soberly considering what course she ought to take in view of the Russian collapse. What has been less clear is the attitude of press and people. The East and West News Bureau reports that many of the vernacular journals advise intervention at Vladivostok, and quotes the *Japan Advertiser* as saying: "Far greater prizes are to be gained or lost now by political than by military action. . . . The newspapers of Japan in the main have failed completely to understand the temper of radical Russia." It is clear that in Japan, just as everywhere else in the world, the party that favors purely military measures, without regard to other than immediate military consequences, is opposed by forces that have thus far been strong enough to prevent what would be one of the war's most disastrous blunders. Every reinforcement that we can give to these forces of wisdom and reason in the Land of the Rising Sun will tell in bringing this war to the right end, and in preventing future wars.

OUT of John Dillon's bitter words about what he calls the duplicity of the British Government in its treatment of Ireland there yet emerges an essential spirit of moderation. Were Mr. Dillon bent on attacking Lloyd George with any weapon at his command, he would not have spoken of the Sinn Fein republican idea as a dangerous "bluff." The intimation of a possible union between Nationalists and Sinn Feiners would have been a threat which the Government would have had to ponder seriously. But Mr. Dillon was thinking also of the possible effect on the Sinn Fein hotheads and of disasters that might follow. He refuses to play with an edged tool like the threat of revolution. With little of the persistent faith of John Redmond in the good intentions of the British Government, he insists nevertheless on the use of the political argument only. His greatest concern is to avoid revolution, because of its immediate evils and because of the opportunity and excuse it would offer for a policy of armed repression and the indefinite postponement of a just settlement. To put the moral responsibility for the possible failure of the Irish Convention on the unyielding Ulsterites and their supporters in London is an instance where simple honesty is also wise strategy.

THE meeting of the heads of six important war agencies at the White House is probably for the discussion of the ways and means of coördination, rather than for dealing with specific problems. It is not to be supposed that Mr. Hoover or Mr. Hurley or Mr. Baruch or Mr. McAdoo can bring all the necessary figures in their portfolios and straighten them out in the course of an hour or two's talk once a week. If it is true that there is maladjustment among the Departments and Boards and Bureaus, if munitions production runs ahead of shipping facilities or food is not coördinated with fuel and railroad cars, the problem is one that calls for continuous contact and supervision such as only a permanent governmental organization can attain, and such as the President contemplates under the provisions of the Overman bill. The outlook for that project brightens with the conciliatory attitude of Senator Chamberlain, who now insists on his Munitions and War Cabinet bills only in case the Administration cannot show something just as good. No one will want to quarrel with Senator Chamberlain's claim that his criticisms of governmental inefficiency are already producing results. It is to the method and tone of much of the Chamberlain criticism that objections rise;

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the useful function of criticism in itself hardly needs defence. In learning from his opponents, Mr. Wilson has never been a dilatory pupil.

THERE are two battle fronts; one where Americans can do work only in limited numbers, which the great majority of us have to watch from 3,000 miles away in comparative helplessness. That is the front in France. The other front is right here in this country, in the home of every one of us. It is the food-front. Captain Tardieu, French High Commissioner, appeals to us, on behalf of his countrymen. Our own Food Administration tells us that, if we want to keep France properly supplied, each of us must cut down his individual weekly wheat consumption to one and a half pounds. Mr. Hoover, at the present moment, does not possess the power to go into each and every home and enforce a rationing system. The reduction which he brought about in the restaurants is not enough. Therefore the millions of us who do not frequent public eating-places must do our share. Hitherto all Mr. Hoover's appeals have met with gratifying response. But now the greater test faces us. Together we must show how high the democratic power of voluntary self-sacrifice stands above autocracy's power to compel. What we have given up thus far has been no real deprivation. Reducing our ration of bread to one and a half pounds weekly will prove our willingness to make every needed sacrifice.

THE suggestive article on "Mobilizing the Acres" which appears in our Financial and Economic Supplement should serve to call renewed attention to the remarkable work accomplished during the past year by the Patriotic Farmers' Fund of New York, under the wise leadership of Mr. William Church Osborn. A fund of half a million dollars was raised to make small loans to farmers on a year's unsecured note at 4½ per cent. interest. Through the coöperation of the State Grange, over seven hundred local committees were appointed to act as credit men. The year's results were as follows: More than 5,000 farmers, borrowing on crop loans an average each of $106, planted 40,000 acres of otherwise idle land and produced $5,000,000 worth of beans, potatoes, corn, and oats. Four bad debts of $100 each were incurred; it is confidently expected that the rest of the loans will be repaid in full. By somewhat different methods, involving the loan of but $40,000, the Fund brought about the planting of 250,000 additional acres of wheat, which means a production of nearly 6,000,000 bushels worth, with the straw, at present prices, $13,000,000. The total added production directly traceable to the movement, then, was worth no less than $18,000,000, and the operating costs were but $15,000. The success of the work is due to its having been carried on with brains and intelligent good will, for patriotic and not purely commercial purposes. It is to be hoped that this tried plan may be widely copied during the present critical year and that the important work of bringing the banker and the small farmer nearer together, to their mutual profit, may be developed as its importance deserves. Farmers' commercial paper having a six months' maturity is available for rediscount with the Federal Reserve Bank, while other such paper can be so discounted only when maturing in not more than ninety days. In drafting the Federal Reserve act it was realized that farmers' commercial paper is a good and liquid asset. By stimulating the use of farmers' commercial paper, the Federal Reserve Board can aid largely to increase farm production. No new legislation is needed; we have only to use the existing law and organization.

THE United States, contemplating a fire loss in 1917 that exceeds even the high loss of 1916 and approaches uncomfortably a total of a quarter of a billion, is denied even the poor satisfaction of blaming German agents. Only six large fires out of seventy-five, according to the National Board of Fire Underwriters, which has made a careful investigation, can be held to have had a suspicious origin. Even the waterfront fire at Baltimore last October, so confidently alleged to have been set by a German spy, has proved of other origin. The best German servant in destroying munitions and provisions, as well as general property, by fire is American carelessness. Natural hazards have, of course, been increased by war conditions, the Board referring to "hastily enlarged facilities, night and day shifts of workmen, employment of inexperienced labor, crowded storage space, and general high-pressure circumstances" as responsible for much loss. But the great Atlanta fire, which destroyed two thousand buildings in May, was due to no such abnormal circumstances. With redoubled risk should go redoubled vigilance.

THE demands of coal conservation and war-time industry will be powerful arguments for the Water-Power bill supported by the Administration in place of the bill on which Congress has long been deadlocked. Secretary Lane has appeared for it at the House hearing. Not only do moderate Eastern conservationists support the bill, but the Portland *Oregonian* declares that it "appears to be a workable measure." It would tend to perpetuate Federal ownership of the public domain in the West. But the *Oregonian* tries to reconcile its readers to this by saying that it accords with the general tendency towards national centralization, "a tendency which has been accelerated by the necessities of war." Quite properly, the bill offers favorable terms for investments in hydro-electric plants, while retaining the provision of the Shields bill for recapture after fifty years; rentals are to be very low, the minimum charge being ten cents yearly per horsepower. It is high time that we were making use of our fifty or sixty million undeveloped horsepower.

THE prospect for legislation creating free ports brightens; two bills are before Congress, the Tariff Board is preparing a report on the subject which may be accompanied by the draft of a bill, and the Administration is supporting the movement. The impressive array of commercial arguments for free-port zones at advantageous positions has been strengthened by the evident relief such zones would afford the most congested harbors by making possible the transfer of many cargoes without delay for inspection. Goods could be placed in the warehouses or sent to zone manufactories as fast as power-machinery and workmen could get them ashore, other goods could be taken aboard, and the ships cleared at once. Not every port can be a free port, and to Congress must be left the question of passing upon rival claims as well as determining the extent of the zone and the character of the regulations governing it. New York, as by far the greatest port and the leader in the free-port movement, will naturally get due consideration.

SENATOR TILLMAN'S announcement of his candidacy for reëlection has not cleared the field. One rival candi-

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date does not mince words. The older voters of South Carolina, he remarks, well remember that the main plank in Tillman's platform was "rotation in office, rotation, rotation." Yet he has been in the Senate longer than any other man from the State. Moreover, when General Butler was defeated by Tillman, "he was in good health," as was General Hampton, defeated at Tillman's instigation. Six years ago, Senator Tillman wished to die "in the harness." He "was too feeble or was unwilling to come before the people of the State, and, moreover, ignored the voters by not writing a letter to the chairman of a single meeting. Furthermore, he boasted in the Senate of his reëlection in this manner." Tillman's fear of what may happen to the chairmanship of the Committee on Naval Affairs if he is not returned is disposed of by the statement that he will be succeeded by Senator Swanson, of Virginia, a Democrat, who, "it is generally reported," has been doing the principal work of the Committee for several years. It is plain that Senator Tillman is proving that even the "acquired taste" for office may become inveterate.

FOR a week or so longer we shall have to witness the ravages of *Wisconsinitis*. It is a terrible disease, especially fatal among editors, and apparently unaffected by the most thorough inoculation with cold figures. Under its influence the patient sees all the Thompson votes going to Berger like steel filings to a magnet. Running neck and neck with Lenroot and Davies, the Socialist draws ahead at the finish and crosses the line a winner, while the Kaiser throws up his helmet and shouts "Hoch!" until the court physician begs his pardon for suggesting that he is ruining his throat. The infection has reached Washington, which ordinarily knows rather less about political conditions than any other part of the country, and all the Government clerks who ought to be making calculations about the next Liberty Loan are adding Berger's vote to Thompson's, McCarthy's vote to Davies's, subtracting whichever way it will subtract, figuring out the ratio between the remainder and Lenroot's vote if the Socialists polled only 40 per cent. of their vote, and tearing their hair over the answer. Luckily, what a man does in delirium does not hold in law.

PASSAGE by the New York State Senate of a bill prohibiting all liquors except beer and light wines proves how worried the saloon interests are. By timely concession it is hoped to snatch something out of the general ruin that seems to be impending. Agitation still continues, even among those not ordinarily in the opposition, for a law, covering the duration of the war, prohibiting manufacture or sale of alcoholic drinks. In short, the liquor men have every reason to be thoroughly alarmed by the present outlook, and intend, by every conceivable form of conciliation, to placate public opinion. And so they are willing to throw distilled liquors to the pursuing wolves in order to save beer. The light-wines clause is just added for plausibility's sake.

ONE knows not whether to admire more the substance or the form of the emanations of New York's Mayor. "Art artists should take a vacation until the end of the war. The vote, Mr. Secretary." Is this more excellent as philosophy or as epigram? Or, as in all strokes of genius, are matter and manner so divinely blended that one can only stand in awe of the unanalyzable whole? To do this once would be a triumph for ordinary mortals, but the Mayor fairly reeks with rhetoric. "Any city employee not satisfied with his or her present position and salary in the city service and feels that they can better themselves should be given every opportunity to do so." Such sarcasm must wither up every treasonable ambition to ride around in a city automobile or run away to a winter resort for a brief rest. But we fear that the Mayor's devotion to the city has led him a bit too far. "Commissioners and employees," he writes, "must get down to work at once and stop wire-pulling." Loafing and wire-pulling ceased automatically on January 1 by hypothesis. If they had not, the example of a Mayor to whom politics is anathema would have done the business.

THE real trouble with American universities has been their inability to "get it across" to the "man in the street," the "roughnecks," and all those other fearsome beasts that inhabit the non-academic jungles. We rejoice that this aloofness is about to come to an end. A gentle spring breeze has wafted into our window a copy of a letter recently sent out to the professors of one of our leading institutions, and we extract from it a few cheering sentences:

> To help interpret ——— University to the public, the Department of Information has been created and added to the organization of the Secretary's staff. Its purpose is to discover material which has news and interpretative value, and to spade it into the light so that its connection with the general interest shall be disclosed. . . .
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> Very often, the most highly technical address embraces matter of so much importance or such firm tangency to public interest, that it instantly develops news value. If at any time you contemplate an address and do not object to its publication generally, the Department could use advantageously an advance copy for release to a number of newspapers and classified journals.

IT is plain that the administration of ——— University, by the simple device of "hiring" a master of English at the moment when it is "firing" half a hundred supernumerary professors in ordinary for lack of money to pay them, has solved a problem over which the befuddled wits of mere scholastics might have mulled incompetently for a century. Note the delicate suggestiveness of the language. Doubtless the Department of Information will "spade it into the light" in order that the pathogenic bacteria of professorial ideas and utterances may be exposed to the purifying sunlight of "pitiless publicity." As for the "firm tangency to public interest," vague recollections of freshman struggles with trigonometry convey to us a faint suggestion of infinity, like a long-forgotten perfume. Our only fear is that the shrinking professor may object to "publication generally" and so may not send the "advance copy" for release to the "classified journals." Though we are not expert in such matters, we venture a single suggestion to the Department of Information, in the hope that its present rich promise may be even more abundantly fulfilled. The greatest show on earth is just beginning its season. Many years agone one connected with it thrilled our youthful heart with this announcement: "Danger-deriding, death-defying, dare-devil Diavolo will loop the loop." Cannot the master craftsman who penned that line be spaded into the light and pressed into a firm tangency to the Department of Information? Then ——— University would function one hundred per cent. efficiently.

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The First Four Days

THE manner and context of Berlin's first official report of Sunday recall strongly the first comprehensive communiqué of August 28, 1914, in which Germany announced a series of great victories along almost the entire battle front, from Charleroi to Lorraine. And, in fact, it is possible to regard the battle which began last Thursday as a recommencement of the war under certain strikingly similar aspects. As in August, 1914, the Germans are now throwing all their strength against the western front in disregard of Russia. As in August, 1914, they are trying for the knockout blow. It is the decisive battle of the war which the Emperor and King is "commanding" in person. Just as the rush into Belgium was undertaken despite the certainty of bringing England into the war with all its possible consequences, so the great blow to-day is being delivered in spite of all the ominous consequences within Germany that might follow the defeat of the final attempt that is to bring victory and peace to the Germans at the cost of just one more "blood bath."

But it is not necessary to bring out in detail the difference between the situation to-day and the situation at the end of the fourth week of the war, for vital distinctions to leap to the mind. We have said that the manner of Sunday's communiqué recalls August, 1914. But there is not the same exultant tone and there are not the same impressive facts of victory and defeat. In August, 1914, Germany was convinced that she had not only defeated all the Allied armies, but that she had broken the Allied morale. To-day she can only record the defeat of two out of five British armies on one-tenth the entire British front, and she cannot claim any shattering of enemy morale. Four days after the defeats of Mons and Charleroi, the British and French armies, in full retreat, were out of touch with each other. To-day the Allied line is under pressure and bent back in part, but unbroken. The French, instead of being desperately beset themselves, as they were during the great retreat to the Marne, are in a position to take over a British sector. The British themselves have been waging what Berlin calls a "gigantic" battle for the defence of Bapaume, whose capture by the Germans is announced in later dispatches. Haig's report speaks of the enemy being driven back across the Somme, which he succeeded in crossing in the earlier onset.

One striking testimony to the different morale which the German armies must face to-day is revealed in the tale of prisoners, a factor on which the German General Staff lays stress as a measure of victory. It was 16,000 prisoners the first day, 9,000 the second day, and 5,000 the third day, while the Berlin report of Monday claims a total of 45,000. Two interpretations are possible. One falls in with the British claim that the retreat of the main forces has been carried out in accordance with plans, and that only rear-guard troops were sacrificed in delaying actions. But it would be idle to overlook the other possibility that the small number of prisoners might be explained by the fact that the British have been selling their lives very dearly for the defence of the guns, of which 600 have been lost. This would only reinforce the fact of unbroken morale. Until we have fuller data, the point to be remembered is that 45,000 prisoners on a front of fifty miles and over a depth of five to sixteen miles is small. Compared with the 12,000 prisoners picked up by Pétain in a single day last October on a narrow front and for a depth of two miles only, compared with the 25,000 prisoners taken by the French on a twenty-five-mile front in the Champagne in September, 1915, the record is far from alarming.

Against this basic fact that the Allied line is bent but not broken we must put the consideration that the German effort is sure to continue. The question, therefore, arises, even if the German attack is not stopped, how far can the Allied line bend without giving way? To this the answer is that the British have still some distance to go along their northern sector before they are driven back to the line they held before the beginning of the battle of the Somme on July 1, 1916. South of the Somme, the Allied line has been pushed back half of the distance to Noyon, where the Germans stood before Hindenburg's retirement of last spring. There is no need to minimize the loss of nearly two years of Allied progress at great cost. On the other hand, it should be possible for the British and French to get back into their old trenches around the great Noyon salient and there hold, without a rupture of the line.

Concerning the precise German objective we can only speculate. A break in the line anywhere is perhaps as far as the German General Staff is thinking now. If the hole opens up around Noyon, the British and French armies are separated and a direct menace against Paris develops. If a break should come further north around Bapaume, the German pressure would probably be directed towards driving back the British armies on the Channel coast. One apparent difference between the situation to-day and at the beginning of the war is that the Germans began with a great flanking movement, whereas now it is their purpose to break through. But at bottom the Germans are trying to apply Napoleon's maxim that where an enemy flank does not exist, one must be made by breaking the enemy line. That such an attempt was foreseen by the Allies is not unlikely. To guard against a rupture in the north, the British forces were most heavily massed from the Channel south to Bapaume, where British resistance has been hardest. Around St. Quentin their line was thin, in the possible expectation that in case of emergency the French could come to the rescue, as they are now in fact doing.

In one other respect does the situation to-day go back to the strategic ideas of the first phase of the war through the battle of the Marne. This concerns the Allied army of manœuvre or general reserve, of whose existence under the command of General Foch there is now little doubt. Joffre began the war with this basic idea of a reserve mass. He brought it into play at the Marne, when he threw Manoury and Foch with their armies against two critical points in the enemy line. To-day the German press hints at the present struggle as the acceptance of the Allied challenge to open battle implied in this army of manœuvre. We are told that the battle now under way is preliminary to a trial of final conclusions with General Foch. Whether or not that comes to pass, the vital distinction between to-day and the first days of September, 1914, is that then everything for the Allies depended on this army of manœuvre in the rear, whereas at present the situation, though grave, is not desperate. Only this much must be remembered: with so much at stake for the Germans, it is possible that they have a plan alternative to the one of breaking the enemy line between the Oise and the Channel. If the Allied reserve under Foch should be used up in stemming the German

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onset on this front, another great blow may come along a distant sector. Yet this alternative, too, is probably recognized at Versailles, and preparations have doubtless been made to meet this as every other contingency. The gigantic struggle has not yet passed more than its first phases.

Stand Fast

THE Germans are assaulting the western line. The wall of steel that has stood for three years and a half against all attacks, the wall on which we pinned our hopes when disaster overtook the Allied arms elsewhere, the wall we believed impregnable, is being subjected at last to the supreme test of the long-awaited German offensive. The gravity of the news so far as it has reached us is not to be minimized, nor is the extent of the danger that threatens the Allied armies to be underestimated. The possible consequences of German success in this gigantic struggle are almost unimaginable, and we are required to take into account every eventuality.

As we regard the initial success of the great movement, the first feeling is perhaps almost of despair. Against a whole world in battle array for the right as we see the right, German organization and discipline and technological skill and ruthlessness are still making progress. In Berlin the autocracy still rides triumphant, and many there be who will cry, All is lost! This is but to play the part of frightened children, not of men. Our duty to-day is to look soberly and fearlessly at the exact military and political situation.

Even if the line be broken, the struggle in the west is not yet over. This offensive has long been foreseen, and precisely the present contingency must have been taken into account as a possibility by the strategists sitting in the Allied War Council. It is far too early to assume that the war is to be crowned by a German victory on the western front comparable with the remarkable successes of the Kaiser's arms in the other theatres of war. French and British and American armies have lain encamped awaiting just such a situation as the present—armies not like those of Rumania and Russia, lacking the equipment necessary to make their courage effective, but abundantly provided with all the elaborate paraphernalia of destruction that modern science has placed at the service of the war maker. The Marne reminds us that veritable miracles sometimes happen, even in this war. The reserve armies are yet to be heard from.

But if the final disaster on land should come, and Paris fall to the Kaiser's hosts, the British and French and American navies would still hold the seas, despite the submarine —and this is not alone a land war, but a sea war—as the article on another page, dealing with the German colonies, reminds us. Can a Germany victorious on land, but banished from the seas, impose her will on the free English-speaking peoples of the world, separated from her by the bitter seas? Not if they are true to the faith of their fathers.

But this war, we have often been reminded, is a conflict not of arms alone, but of principles. If this indeed be true, then even overwhelming military success on the European continent cannot long suffice to enable the German autocracy to impose its principles on the freemen of the world, for there is a spirit in man that will rise triumphant over shackles and prisons and servitude. Let France—which God forbid—be added to Belgium and Servia and the prostrate giant of the East, and even then the militarists of Berlin will not be the victors, save for a little while. "Though the wicked flourish, he shall soon be cut off."

Stand fast, America! That is the word for to-day. Stand fast in your might, in your courage, in your faith. Brave sons of the Puritan and the Cavalier, of the Huguenot and the Quaker and the Romanist, of all who came here seeking liberty, children of England and Ireland and France and Italy and Russia—yes, and Germany, too—brave young Americans all who are arrayed to-day where the leaden hail beats pitilessly on the blood-stained battlefields of France, stand fast! And you who work unknown and unnoticed on the leviathans of death in the gloomy darkness of the Atlantic and the North Sea, stand fast! And you who go down to the sea in ships, taking your life in your hand, bearing your precious freight of food and human lives, stand fast! And you who labor at home in the old accustomed place, following the plough, tending the loom, driving the engine, carrying on as always the task whereby the people live, stand fast! And you who teach the little ones, you who carry in your hands the treasure of the future, stand fast! And you who stand on the watch towers of the state, scanning the sky for some sign of light in the universal darkness wherein we grope, seeking to guide the footsteps of this people into the paths of a righteous peace, in God's name stand fast! To-day, as never before, must every American stand fast, doing with all his might the task that is given him to do, giving of his service, his love, his patriotic devotion in whatever way he can best aid to bring about that peace of justice which is the chiefest need of a tortured world.

Stand fast, America, in your might—the might of your territory, your resources, your wealth, your skill—above all, your spirit, which most truly has made you great. Stand in your unconquerable might, and if the haughty enemy boast of his victorious sword, lose not that faith in the sword of the spirit which has sustained you in the darkest hours.

Stand fast, America, in your courage! Cowards Americans have never been, nor will they fear to-day, though the sky is black. If "clouds and darkness are round about Him," none the less "righteousness and judgment are the habitation of His throne." And though America cannot yet see the path that leads to the triumph of the right, she will still stand fast in an invincible belief that the way will open. She will stand fast in the courage that refuses to compromise, refuses to yield any point of right or fairness, while conceding all that does not trench upon those principles for which she has entered the struggle. In that courage, for the love of humanity, she will fail not.

Stand fast, America, in your faith! A faith in all men, even the humblest, a faith in their possibilities, a faith in their right to opportunity, irrespective of birth or wealth or station, a faith in their capability to choose their own way of life, taught indeed, but unhindered and unafraid, not bowing down before kings or priests or generals, a faith that human life may become something infinitely sweet and good and happy, a faith that men shall not forever at beck and call of princes and diplomats be led as sheep to the slaughter—that faith towards which America has been ever struggling upward has shot its ray of hope around the world. In this supreme dark hour, America, in that faith stand fast!

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To End a World-Disgrace

IN a recent address on the work of the medical service of the English army, the speaker declared that the chief aim of the war was to remove "the disgrace to civilization." That disgrace he at once explained as "the waste of labor and the waste of life involved in nations maintaining great armies for the purpose of destroying each other." Who was this namby-pamby pacifist, this man without red blood, this visionary living in Utopia? Well, it happens to have been none other than Gen. Sir William Robertson, till lately Chief of Staff of the British Army. A stout soldier, working his way to the highest rank from humble beginnings, no temptation to magnify his office or to glorify his profession blinds him to the monstrous anomaly of militarism in the modern world. In this respect, Sir William may be classed with that American officer, a valued member of our General Staff, who said some time ago that the American people ought to understand that they are fighting this war in order to prevent universal military service from being made compulsory in this country.

If doubts remained in any mind about the nature of the real foe with whom we have come to grips, they must have been removed by the events of the past few weeks. The Kaiser and his army chiefs and his subservient civilian officials have at least given us the complete definition of militarism. We see it now as it is. Looking at its full display, we all instinctively cry, "Voilà l'ennemi!" For it is militarism gone mad, and bringing forth its perfect work. At the head of the whole system is the Kaiser waving the sword in which alone he bids the German people trust. Everything is subordinated to the army. It is not only that the moderate men like Professor Delbrück and Dr. Dernburg are silenced; not only that the Reichstag is made no better than a dumb dog, and that the Socialists for the most part are drugged with promises of national booty. The whole nation is now at the mercy of the militarist caste.

And let no one think that the military autocrats of Germany have the slightest notion of relaxing their power or changing their system. Their thought is of nothing but making it stronger and more tyrannical in preparation for the next war. This is, perhaps, the most striking thing in the book of Baron von Freytag-Loringhoven, written for the German General Staff on the lessons of the war. He contemplates for the future nothing but a piling higher of armaments, a greater diversion of the Empire's wealth and man-power to the purposes of war, a strengthening of the aristocratic prestige of officers—no democratic nonsense to be tolerated in the army—and a larger and larger absorption of the nation's energies by war. From earliest youth to old age the national thought and effort are to be given increasingly to the work of preparing to kill and be killed.

Partially disguised before, this Prussian militarism now stands clear and abhorrent before all eyes. What it has done in Russia has been like a great battle lost to Germany; for it has brought many radicals and Socialists, both in England and the United States, who had been doubters, to the full persuasion that the insensate military autocrats of Germany must be defeated before the world can turn in security to humane causes and the work of social justice. Given the dominance of this military madness in the life of any people, in fact, they see the world war as necessary if we are to make an end of a world-disgrace.

The final issue now fronts us concrete and grim. Overweening trust in the sword must be met and cast to the earth, so broken that it can never rise again. In the stern business on hand we have to put many things aside. We have to adjourn cherished hopes. Temporarily we give up privileges and bow our shoulders under sacrifices—the spiritual ones hardest of all to bear. But we do not lose sight of the end which will crown all. It is to free the world forever from the hideous nightmare of militarism, and to insure to our children liberty to work out unafraid their thoughts—and dreams—in the lives of the men and women of their generation.

Parties in War Time

A PARTISAN flurry is following the Wisconsin primary. The temporary absorption in the "loyalty" issue has given way to planning for party advantage and to party recrimination. Especial offence has been given to the Republican leaders by President Wilson's letter to Mr. Davies, the successful Democratic candidate in the Wisconsin Senatorial primary. Eminent non-partisans like Lodge and Gallinger are fairly incensed at it. "Why, the President actually seeks to gain for his party a Senator in Wisconsin by asserting that the Democrats are more patriotic than the Republicans!" They also point to the President's long letter to the New Jersey Democrats, in which he exhorted them to cultivate "vision" and to be nothing if not "altruistic." It is understood that Secretary Tumulty privately interpreted to the faithful these cryptic words to mean that they were to go in and elect a United States Senator.

Democrats might retort that the other side is not entirely free from partisan guile. In fact, for more than a month now the Republicans have been making a great flourish in preparing to support the President by wresting the control of Congress from his party. The new Republican Chairman, Mr. Hays, has been exerting his dulcet and harmonizing powers up and down the land, openly for the purpose of uniting all shades of Republicans in one grand drive to win the Congressional and State elections this year. This is a suspicious brand of non-partisanship.

There is little profit, however, in twitting on the subject of being the first to break the union of hearts and parties announced as good so long as the war lasts. More to the point is the charge that the President's singling out of Mr. Davies as one who had endured the "acid test" of patriotism was both ill-timed and irritating. As the letter was not given out until after the Wisconsin primary, it had the look of endeavoring by indirection to rule out Mr. Lenroot, on the ground that he had voted for the McLemore resolution in favor of keeping Americans off armed merchantmen. But proscription on that score would cut off too many of the President's present supporters, and would hit his own party as hard as the other. In fact, if the acid test of which the President speaks were to be applied retroactively to all and sundry, some of the paint on the White House itself would be in danger! It is wiser to let all those bygones be bygones, so far as parties are concerned, and to insist upon no other touchstone at present than entire loyalty to the Government and willingness to support every measure necessary to win the war. Not having a coalition of parties, such a tolerance of party differences would seem to be essential in war time.

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In England the war soon brought a Coalition Government. To still party controversies, all parties—except the Irish Nationalists—were given representation in the Ministry. And the truce has been fairly well kept. There has been only a little soreness over the preponderance of one party or the other in the Cabinet. When bye-elections to the House of Commons have come along, they have not been contested, except as the Labor party has put up a separate candidate. Usually the two parties agree as to which one shall have the given seat, and there is no partisan contest over it. The British have made their Government a sort of holding company for both parties.

No such development is probable in this country. The prospect now is that the two parties will go into their State and Congressional campaigns much as usual. So far as the war enters in, it will require some skilled party fencing and nice distinctions. Voters will solemnly be asked to support the President by plumping against his party. On the other hand, the Democrats will be under the temptation to appeal for votes on the ground that a Republican victory would be hailed in Germany as a repudiation of Wilson and a condemnation of the war. It must be plain to all, however, that by November the casualties and sufferings of the war will so have stirred the people that they will tolerate no partisan fooleries in the great national emergency.

One International Tribunal

THE closing this month of the Central American Court of Justice at San José, Costa Rica, interrupts an experiment so hopeful that it was even looked upon as paving the way to a governmental union of the five republics. Americans have a peculiar interest in it, for it was brought into being largely by the United States. The Court was founded by a treaty drafted at Washington in 1907 upon principles formulated chiefly by Secretary of State Root. It attained on a small scale what Mr. Root hoped to see realized upon a grand scale at The Hague, when he instructed the American delegates to the Second Hague Conference to try to "bring about a permanent tribunal composed of judges who are judicial officers and nothing else . . . and who will devote their entire time to the trial and decision of international causes by judicial methods." The Court's international powers were unprecedented. In the preamble to the ordinance of establishment the five republics declare that it was "for the purpose of maintaining unalterable peace and harmony in their relations, without in any case being obliged to have recourse to the employment of force"; and bound themselves to submit to it "all controversies and questions which may arise among them, of whatsoever nature they may be, in the event that their respective chancelleries have not been able to reach an agreement."

Ceremoniously inaugurated on May 15, 1908, within a month the Court had an opportunity to show its usefulness in that repression of disorder which was a main object of the United States and Mexico in aiding in its establishment. Honduras became embroiled with Salvador and Guatemala, charging that they were fomenting a revolution; and by telegraph on July 8 the Court invited these countries to invoke its jurisdiction. They responded, filing initial pleadings by telegraph; and July 13 the Court issued an interlocutory decree or injunction forbidding military or naval movements. The war was prevented. The final decision in December was amicably accepted by both sides. For the first time an international court had sat in judgment upon nations. Dr. James Brown Scott wrote that the decision "marks a great progress towards the judicial settlement of international disputes, and shows the complete analogy between public and private law." The next year another case was submitted, that of a Nicaraguan named Diaz, who claimed damages from Guatemala for arbitrary imprisonment, business losses, and injury to his health. The Court dismissed the case on the ground that Diaz had not exhausted other methods of obtaining redress. Further cases followed. The Court is credited with having averted two international wars. It was able to intervene with some effect also in domestic turmoils of various of the republics.

Why was the Court allowed to lapse? The chief reason is undoubtedly to be found in the protracted disagreement between Nicaragua and the other four republics over the Nicaraguan-American treaty, and the refusal of Nicaragua to recognize the right of the Court to interfere. By this treaty, drawn up in 1913, the United States obtained the exclusive and perpetual right to build a canal through Nicaraguan territory, and a ninety-nine-year lease of the Great Corn and Little Corn Islands, with territory on the Bay of Fonseca as a naval station. For this we were to pay $3,000,000. Costa Rica, Honduras, and Salvador protested, arguing that their rights were infringed; Costa Rica urged the particular reason that the San Juan River, which must form part of any canal, is her boundary; it was rumored for a time that the United States would quiet her by offering compensation. In ratifying the treaty in 1916 the Senate stated that "nothing in such convention is intended to affect any existing right of any of the said named states [Costa Rica, Salvador, and Honduras]," but this, naturally, by no means satisfied them, as they held that the treaty by its very terms violated their rights. The United States refused a suggestion by Colombia that the matter be carried to The Hague. The complainant republics thereupon took the case against Nicaragua to the Court, where they found no difficulty in carrying it to a successful conclusion. Nicaragua practically let the case go by default, and paid no attention to the verdict.

Our own part in this affair is lamentable. Nobody questions our right to make a treaty with Nicaragua, though our present relations with the Government of that country should make us specially sensitive as to the terms of any such agreement. But for us to take no cognizance of the decision of an international tribunal established at our instance, and to allow the Court to be dissolved, essentially, though not technically, because we disregard its verdict, is a poor way to prove our faith in the possibility of settling national disputes by reason and not by force. We ought frankly to face the fact that responsibility for the failure of this promising experiment rests with Washington, not Managua. It is an additional blow to our moral prestige.

If the Court was worth our earnest efforts to found, it is worth our earnest efforts to maintain; and its disappearance largely as a result of a Central American quarrel traceable to our diplomatic action would be regrettable. Is it not possible to bring about a reëstablishment of the tribunal at this time when we need to sustain our faith in the potential stability of such international arrangements? We like to think of the New World as a hemisphere in which the future reign of peace is to be secure; and the Central American Court might be one of its bulwarks.

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The German Colonies and Their Disposal

By WILLIAM R. SHEPHERD

UP to the break of the war Germany ranked fourth on the list of colonial Powers, coming after Great Britain, Russia, and France. Her possessions stretched over an area of 1,128,640 square miles, nearly six times that of her territory in Europe. Those in Africa comprised Togo (more than a third the size of Oregon); Kamerun (somewhat smaller than Washington, Idaho, and Montana combined); South-West Africa (about as big as Texas and Georgia), and, largest of all, East Africa (approximately equal in extent to the Atlantic Coast States from Maine to Florida, except New York). In the southern Pacific they included, under the general designation of German New Guinea, the northeastern part of the island of New Guinea, called Kaiser Wilhelm's Land, and certain groups of islands, such as the Bismarck Archipelago, the Caroline, Palau, Marianne, Solomon, and Marshall Islands, and a portion of the Samoan Islands. Their entire area was about four-fifths that of the Philippines. On the continent of Asia the only German possession was Kiao-chau, a district of some 200 square miles extending along the coast of the Chinese province of Shan-tung.

By treaties with the natives and by agreements with European Powers, Germany acquired the African territories between 1884 and 1890 and the Pacific islands between 1884 and 1899. Kiao-chau, seized in 1897 as a means of exacting reparation for the murder of German missionaries, was formally acquired from China in 1898 on the basis of a lease for ninety-nine years.

All of these areas, except about a third of East Africa, have fallen into the hands of the Allied Powers. In Africa Togo was captured by British and French forces in August, 1914; Kamerun by British, French, and Belgian troops in February, 1916, and South-West Africa by forces from the Union of South Africa and Rhodesia, with British assistance, in July, 1915. The last named are still engaged in the reduction of East Africa. The German possessions in the Pacific, however, were all lost before the close of 1914. Forces from New Zealand occupied German Samoa in August, and troops from Australia seized Kaiser Wilhelm's Land and the Bismarck Archipelago in September. The remaining groups of islands were taken a month later by Japan, and Kiao-chau surrendered to the same Power in November.

The total population of the German dependencies in 1914 was estimated at upwards of 12,000,000, or less than one-fifth of the number of inhabitants in Germany itself. Twenty-eight thousand of them were of European stock, and four-fifths of these were Germans. More than half of the European element was located in South-West Africa alone. In East Africa there were some 15,000 Arabs, Goanese, and other Asiatics, in addition to the native population.

In 1912 the commerce of the German colonies, calculated roughly on the basis of four marks to the dollar, was valued at $115,000,000, of which $65,000,000 represented imports and $50,000,000 exports. The amount showed an increase of about $60,000,000 over the figures of 1907. More than half of the trade was carried on with Germany. The exports from the African possessions consisted chiefly of palm kernels and oil, sisal hemp, copper, lead, hides, cotton, rubber, cacao, and earth-nuts; those from the Pacific region of copra, phosphate of lime, and cacao; and those from Kiao-chau of straw braid, silk, bean oil, and earth-nuts.

To stimulate industrial and commercial development, notably in the African dependencies, plantations for the cultivation of palms, coffee, cacao, cotton, tobacco, rubber, and other tropical products were laid out. Agricultural experiment stations were erected. Many good roads and not a few railways were built. All of the railways were paying investments. Subsidized steamship lines were another important factor of promotion.

Profitable though the colonies may have been to individual planters and merchants, like the vast majority of tropical colonies the world over, they had not become an economic asset to the mother country itself. None of them, except Togo and Samoa, where the receipts about balanced the expenditures, was self-supporting. In 1914, accordingly, the German Treasury had to meet a deficit in the colonial budget of approximately $22,000,000, of which a third was devoted to the support of the military establishment. On the other hand, during the ten years that followed 1903 the expenses had gone up by only $2,000,000, while the receipts had increased by some $13,000,000.

For the maintenance of order in the colonies about 5,000 German and 4,700 native soldiers and 700 German and 5,600 native police were employed in 1914. More than half of the German force was stationed at Kiao-chau. Following the practice of other European nations, the native soldiers and police, known in East Africa by the Arab term "askaris," were recruited from among the more warlike elements of the population. In East Africa when the war began there were about 327 German and 4,612 native soldiers and police.

All of the German dependencies were known as "Schutzgebiete" (protectorates). Except Kiao-chau, which was subject to the Naval Department, they had been under the control of a Colonial Minister since 1907. The administration was carried on by a governor, assisted by a small council, composed of prominent European residents. The management of local affairs was left largely to native chiefs, under the supervision of German officials.

A late-comer on the scene of colonial expansion and forced to content herself with areas less desirable than those held by her predecessors, lacking the experience that had taught many a hard lesson to the other imperialistic nations of Europe, and having herself a political and social system ill adapted for transplantation to lands inhabited by aboriginal folk, Germany could hardly attain much success in thirty years. All of her possessions, except Kiao-chau and the southern part of South-West Africa, lay in the tropics, and hence were not suitable for settlement by Europeans in considerable numbers. The former already had a fairly dense Chinese population, and a large portion of the latter was unfit for human habitation. Efforts, also, to direct such German emigration as there was to the colonies, and to divert it from America, had comparatively scant result.

In the hope, nevertheless, of carrying on "scientific" colonization, the Germans devoted careful study to the work of other European countries in the oversea dominions, explored the new lands thoroughly, and noted the conditions

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among their inhabitants in detail. The result showed many a contribution to scientific knowledge, but not much evidence of effective colonization. Though efforts were made to educate the natives, chiefly under the guidance of missionaries, the policy of the German Government and the behavior of officials and colonists, particularly in South-West and East Africa, were provocative of trouble for many years after 1884. German methods of administration were introduced in more or less rigid fashion, chieftains were deposed, and tribal lands were seized and granted in huge amounts to companies and individuals, with but slight regard for native rights, customs, and prejudices. Though the slave trade still prevailing in East Africa was abolished, here and elsewhere in the continental colonies the scarcity of labor for employment on the European model was met by the imposition of methods that aroused great resentment. The feeling was heightened by the arrogant attitude of many of the Germans, who seemed constitutionally unable to understand native sentiments and allow for them.

Of the rebellions that broke out in consequence of such mismanagement the most serious was that of the semi-civilized Herreros and other tribes in South-West Africa, lasting from 1903 to 1907, despite the brutal orders for extermination issued by the German military commander. Not until barbarities of this sort had been forbidden by the home Government and conciliatory measures adopted instead, was it possible to bring the struggle to a close. During its course probably half of the native population perished, and a large number of Europeans also. The lesson proved quite effective. After 1907 the Germans appreciated, far more than they had ever done before, the wisdom of adopting a policy that would put the relations between the rulers and the ruled on a basis of mutual understanding and confidence.

Assuming, now, that her oversea possessions are not to be returned to Germany, and that none of them is to be given its earlier independence of foreign ownership, their disposal constitutes one of the hardest problems that the peace conference will have to face. Three solutions of it may be offered. Of these one would assign the German dependencies to the respective Powers that have captured or hold nearly all of them. In this partition, not only Great Britain and her three colonies, the Union of South Africa, the Commonwealth of Australia, and the Dominion of New Zealand, but France, Belgium, and Japan would have to be reckoned. But an adoption of this plan violates one great ideal for which our own country stands: the abolition of the process of territorial enrichment of one nation at the expense of another, and regardless of the welfare of the native inhabitants of the areas concerned, except as that welfare may be determined by the nation thus favored.

Excellent though the colonial policy of Great Britain or France may be, however marked its superiority to that of Germany, and apart entirely from doubts about the wisdom of enlarging oversea dominions already huge, any principle which recognizes that regions inhabited by non-Europeans and unable to preserve their independence shall no longer be subject to distribution at the will of foreign masters would be brought absolutely to naught by any such arrangement. In the same connection, for Germany to exchange her colonies for areas now possessed by other nations would not make the situation more acceptable. Annexation or exchange simply perpetuates the old imperialistic idea.

Another solution rests on the principle of the self-determination of the native peoples. Theoretically such an adjustment might be reached only in the case of the African and Polynesian areas; for the disposal of the German leasehold in China, now under the control of Japan, is a matter presumably to be settled by agreement between the two countries concerned. Let it be taken for granted that an effort to ascertain the wishes of the Africans and Polynesians would be made in absolute good faith. The question to be answered would be, whether these people prefer a foreign ownership other than German. Locally they are subject to tribal chiefs, some hereditary, some self-chosen, some elected by lower dignitaries. Neither rulers nor ruled have the slightest notion of the meaning of popular self-determination, in the European sense. At best, all that could be secured would be the opinion, or rather the decision, of the chiefs themselves.

Inherently, the idea of "taking a vote" among uncivilized folk is absurd. More than that, it raises the whole question as to the justice of the existing relationship to their European owners of all colonies and dependencies in the tropics and elsewhere inhabited mainly by peoples not of European stock. If in one particular instance their alleged "representatives" are to be asked whether they prefer to be subject to one foreign ruler rather than another, why should not the same principle in fairness be applied to all such cases?

Were a league of peoples to be formed after the war, one of its proper functions would be that of exercising a common control over the former German dependencies in Africa and Polynesia, taking substantially as its pattern the "General Act" devised at the Berlin Congress of 1884–1885, with reference to the joint supervision of the "Congo Independent State." This guaranteed the perpetual neutrality of the "State," and provided for freedom of trade in the basin of the Congo River, for freedom of navigation on that river, its tributaries and the lakes and canals connecting with it, and for the protection and welfare of the natives. It also obligated the signatory Powers to accept the mediation of a friendly government or governments in the event of any dispute regarding the territory included within the "conventional" basin of the Congo. This procedure and later acts determined the international standing of the "State" until its absorption by Belgium in 1908.

But here again the adoption of any such expedient suggests the desirability of considering its extension to all dependent areas of the kind described, as a possible means of warding off jealousies that might lead to armed conflict similar, in its colonial and commercial phases at least, to the present one. Ideally this might seem to be the solution of the difficulties hitherto created by the practice of exclusive ownership of oversea areas tenanted by folk commonly regarded as uncivilized. Freedom of access to colonial markets for all peoples on terms of absolute equality, and joint supervision and control of all matters concerning this privilege and the relationship of the natives to the Europeans, would help to remove such areas from the arena of strife.

Accordingly, the two tenable solutions of the problem of the disposal of the German oversea possessions are: either the continuance of the old system of partition and distribution, or the establishment of joint management. Both are part and parcel of the two basic ideas now locked in struggle. One is national aggrandizement, with all that it savors of imperialism, of commercial selfishness, of militarism, and of future wars. The other is international adjustment, with all that it promises of coöperation and future peace—*the principle of an unimperialistic settlement.*

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Nationality in Swedish Literature

By CHARLES WHARTON STORK

IN no part of Europe is the spirit of nationality stronger than in the three Scandinavian nations. Purity of blood and the traditions of long and unbroken residence are perhaps chiefly responsible for this. After the great military exploits of Gustavus Adolphus and Charles XII, the Scandinavians sank into comparative insignificance for a time, but with the revival of national spirit they once more began to forge to the front. This fact we have been slow to recognize, for the reason that Americans are prone to judge a country too much by the numbers of its population and the value of its exports. The spiritual achievements of a small country win recognition but slowly. Still, as to Norway, the plays of Ibsen and the music of Grieg have already affected our artistic life. The richer and more finished culture of Sweden is but now beginning to reach us, chiefly in the writings of Strindberg, the novels of Selma Lagerlöf, and the paintings of Zorn, Liljefors, and their fellows.

It is in poetry, however, that the Swedish genius is most fully exemplified. Excepting a few translations of the two older bards, Tegnér and Runeberg, none of this literature was accessible to readers of English until very recently; this in spite of the fact that the Encyclopædia Britannica gives separate biographies to six Swedish poets. Longfellow's version of Tegnér's "Children of the Lord's Supper" stood almost alone as the adequate representative of this important field. Within the last two years, however, the writer of this article has published two volumes of Swedish lyrics in metrical English versions. The power and beauty of the originals is so great that they cannot, it is believed, be wholly clouded even by so dark a medium as verse translation.

All critics of Swedish poetry agree that its chief characteristic is, broadly speaking, nationality. To be sure, when modern Swedish literature began, about 1750, its models were largely foreign. But, as in the case of Elizabethan literature in England, there was an underlying basis of folksong, and it was not long before even "polite letters" took on a partly indigenous character.

The first commanding figure to rise among the "Augustans" of Swedish poetry was that of the improvisatore, Karl Mikael Bellman, 1740–1795. Bellman has been miscalled "the Burns of Sweden," a title which, as we shall note, belongs more justly to a much later poet. Bellman was so largely a man of the world as to suggest Horace as much as Burns. But though by position a courtier, Bellman was deeply beloved by the common people, as indeed he is to-day. This was because he improvised both words and melodies of his famous songs on simple native models. He was Horatian in his love of city life, with country excursions as a relief, and in his gay philosophy of *carpe diem*. In metric variety his poetry resembles the "Odes," in subject rather the "Satires" and "Epistles." No poet has ever more brilliantly pictured the casual life about him. Note the immediateness of the following description of the military funeral of Corporal Boman, with a tambourine accompaniment:

Hey! What the devil! Get back in line, you're all astray there!
Right about! Shoulder arms! Steady, Number Two!
(*Ching, chinty, ching, ching!*) Present arms! Let the music play there!
In air take air! Fire!—Ground arms, you donkey, you!
In Bacchus' region
Boman's praise shall echo loud—
Thanks, gallant legion,
We've done him proud!

Bellman's power consists in the fluent ease of his style and the vivid portrayal of familiar scenes. He is national, not in the sense of celebrating Sweden and her heroes in formal style, but in that of catching the life and spirit of his time. A "poet of the soil" need not necessarily be of the country. Bellman's songs depicted the scenes and characters of Stockholm about 1775 with such verve that he was beloved equally by his royal master, Gustavus III, and by the humblest of his fellow-townsmen.

Early in the nineteenth century the wave of the romantic movement came to Sweden through Germany. It manifested itself mainly in sentimental idealism and in a revival of interest in Sweden's heroic age. The former phase, which was of less permanent value, may be passed over for our present purposes, though it produced many charming and delicate lyrics. The latter phase brought to the fore the most widely known of Swedish poets, Esaias Tegnér. Tegnér's masterpiece, the much-translated "Frithiof's Saga," is a love story of the Viking Age told in numerous lyric episodes. *Mutatis mutandis*, it is much akin in spirit to the lays of Scott. Sentiment predominates strongly, and indeed, judged by present standards, the poem seems clearly to have been overrated. Still, it was calculated to inspire in all Swedes a love and reverence for their country's past.

A poet of more enduring reputation was Johan Ludvig Runeberg, who has been commonly ranked with the great patriotic poets of all time. Born in Finland of Swedish stock, he won his greatest fame in celebrating the unsuccessful struggle of his countrymen against the might of Russia in 1808–9. He gathered most of the material for his balladic volume, "The Songs of Ensign Stål," from a veteran of the conflict, much as Scott heard the story of Preston Pans from the old henchman of Prince Charlie. Runeberg's thorough education and natural nobility of mind made of him what we may call a classic realist. The scenes of battle which he describes are made actual, but they are raised above the level of mere scenes of bloodshed by the lofty spirit and fine restraint of the poet's genius. The characters are all individual, and touches of kindly humor relieve the dramatic stress. Patriotism glows in every line, but hate is never admitted. The Russian is never an infamous usurper, but often a brave and magnanimous enemy. We may quote the final stanza of Mr. Edmund Gosse's favorite, "The Soldier Boy":

And if I live till I am big and reach fifteen some day,
To that same hunger, war, and death I'll go without dismay.
When whizzing bullets fill the air,
Whoever seeks may find me there,
For I in turn would follow where
My fathers led the way.

Besides his war poems Runeberg wrote several winsome poetic tales of peasant life and numerous short lyrics and idyls of the country around him. Altogether, few poets have laid their language under so great a debt for the highest form of patriotic spirit as has Runeberg.

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In Sweden proper there was a decline in poetry towards the middle of the century. About 1870, however, partly through the example of Runeberg, partly through the growth of democratic feeling, a strong realistic impulse began to make itself felt. Poets had for some time been gradually turning from interest in their country's past to interest in their country's present. Even so transcendental a genius as Viktor Rydberg gives us charming backgrounds in such pieces as "The Brownie" (Tomten) and "The Bathing Children." He embodies also a sort of idealized viking spirit in "Snowfrid." Rydberg was the first to sound the note of internationalism, which is, after all, but transcendental patriotism. His ideality is far more rugged, far more strongly rooted in the soil, than is that of the poets writing in English who in various ways most resemble him, namely, Shelley, Emerson, Poe, and Arnold.

The chief contemporary of Rydberg was Count Snoilsky. He first appeared in the guise of a passionate pilgrim, an epicurean lover of beauty, with a glowing volume on his life in Italy. Later, however, he turned with equal fervor and greater earnestness to Sweden, especially in a series of historical ballads. He learned to prize beauty which is for the many above beauty which is only for the few, as we see in these lines from "The Porcelain Factory":

> Ah, that a man might mould a poem so,
> Of simple words that every one should know,
> Might shape a form for offering daily bread
> To hungry folk, not to the overfed!

An even more brilliant and radical group of poets followed Rydberg and Snoilsky in 1890. This group consisted of Oscar Levertin, Gustaf Fröding, and Verner von Heidenstam. Levertin was an individualist of Jewish descent, and his fine achievements in verse fall outside our present interests. He served Sweden well as a critic. The other two men call for detailed attention.

Fröding is the real "Burns of Sweden." It was he who went to the heart of peasant comedy and peasant tragedy, interpreting each with a sympathy no less than magical. In lyric grace and variety he resembles Bellman, but whereas the elder poet paints chiefly externals, Fröding lives his characters and makes the delighted reader live them hardly less directly. Even the troll of Norse mythology is well within the range of his imagination. As a descriptive poet he is unsurpassed, especially in native and peasant scenes. Take the following glimpse of "revelry by night" to the music of an accordion:

> They danced as with bodies of tow set afire,
> All jumping like grasshoppers higher and higher,
> And heel it rang sharp upon stone.
> The coat-tails they fluttered, the aprons they flew,
> And braids were a-flapping and skirts flung askew,
> While the music would whimper and drone.

Withal there is a strange and fascinating grimness about Fröding's genius that seems to date from the time of the sagas. He wrote many personal and purely imaginative lyrics in the brief period before dissipation brought him to the madhouse, but it is chiefly his peasant and nature poems that have made him the favorite poet of Sweden. It is these which exhibit the earlier, stronger, and healthier side of his astounding genius.

Verner von Heidenstam, the oldest of the trio, is the sole survivor. Winner of the Nobel Prize for literature, he is the acknowledged dean of Swedish poetry and the peer of Selma Lagerlöf in general popularity. His achievements in prose are of equal importance with those in verse. Heidenstam's poetic career is very similar to that of Snoilsky. Beginning with a colorful volume of Oriental scenes, he then came home and so completely entered into the highest aspirations of Sweden that his later poems are as the clarion voice of his country. To his fellow-countrymen Heidenstam is Sweden. Note the passion of this apostrophe to his land:

> Then on, fair daughter, in hardship bred,
> Let shyness and sloth forsake thee!
> We love thee so that, if thou wert dead,
> Our love to life could awake thee.
> Though the bed is hard, though the midnight lowers,
> We'll be true while the tempest rages,
> Thou people, thou land, thou speech that is ours,
> Thou voice of our souls to the ages.

Besides such definitely patriotic pieces as the foregoing, Heidenstam has written much fine "home-poetry," as the Swedes well call it. Love for the soil, its people, and its associations has been growing steadily since 1800 and is now in its finest literary flower. This is largely due to the worthy traditions of the Swedish peasant and to the sentiment of mutual respect which exists between him and the noble. Heidenstam, the highly cultivated aristocrat, dwells upon the childhood and ancestral associations of his native region. On the other hand, Erik Axel Karlfeldt, of peasant origin, depicts the life of the people. With finished art he celebrates the sturdy, honest-hearted, kindly humorous folk of his province, Dalecarlia. Karlfeldt's poetry is an unusually happy combination of stanch peasant pride with great delicacy of feeling and form. There is rare imaginative beauty in the following stanza of "Song after Harvest":

> Fridolin dances free,
> He is filled with the memory
> Of his sire and grandsire who danced there long
> Before to that old melodie.
> Ye sleep now, ye sires, on the festival night,
> And stilled is the hand that could fiddle with might,
> For your life—like your day—is a murmuring song
> That echoes a wistful delight.

And yet, notable as Karlfeldt assuredly is, he is but the leader of a school containing fully a dozen living poets of merit.

The foregoing sketch has, perhaps, given some idea not only of the predominance of nationality in Swedish poetry, but of the power and beauty of the poetry itself. Its elaborate and delicate music has hardly been even suggested. We have mentioned only poets who seemed of the first order, though scores of others equally typical and hardly less great could well be cited. The gist of the matter is that a splendid poetic literature has here been created almost entirely out of native material. It is popular not only in substance, but also in clarity and directness of style. Free verse is practically unknown. Have we in America a less beautiful land, or traditions which, however much briefer they may be, we are unable to value? Shall our poets continue to write in language and metre which the great bulk of their fellow-countrymen are unable to follow? Why should we always turn for models to French and Anglo-French poets, or to the Far East? Why should we not rather take pattern by the Swedish poets, not in form, but in principle? Poetry is a vital force in the life of the Swedish people. Would that it might become so in America!

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Spring in Ultima Thule

By ARCHIBALD MacMECHAN

Light again, leaf again, life again, love again.

MY city is built beside a great haven for ships, a triple haven, and round the base of a hill crowned by a star-shaped fort. Dear as it is, the colors of a city pall by the end of winter; they are dull; the houses shut out the sky. The country colors are always renewed in the spring, for the long cold rains driven by the sea-winds wash everything clean. A day dawns when the city becomes no longer tolerable; the lond road calls the wayfarer irresistibly; and there is a tryst to keep with the mayflowers beyond Admiral Rock. I must close my books and take the long road.

In Ultima Thule, spring comes slowly and bitten by frost; but into this May day is poured all the sweet of the year. The air is wine, the sky is sapphire, the sun is shining in his strength. All the trees are blossoming at once. The stir of life in all the world affects you like some mysterious Presence, impossible to miss. Great Pan is very near.

The main harbor has the figure of an hour-glass, with the end broken off, and opening to the sea. The waist is called the Narrows, and the other half the Basin. The term is originally French and the analogy holds fairly well. It is round, it holds water, the sides are steep. It is twenty miles in circumference, and would hold at need all the King's ships. Just now it is full of neutral merchantmen, odd little hookers, most of them, and chiefly laden with food for the enemy. Britain goes through the form of examining their cargoes, though well she knows their ultimate destination. Round the Basin runs one of the most alluring roads in the world. It curves and curves continually, never a furlong forthright from end to end. A long straight road stretching to the vanishing point sinks the wayfarer's spirits like lead. That private pair of compasses with which he must measure it seems utterly inadequate. But a winding road entices him into forgetfulness of mileage. Stevenson calls Hazlitt an epicure because he preferred a winding road. Here he would have a feast. This one follows faithfully all the sinuosities of the shore in little bays and bights, and round the points and headlands. On the one hand is the high wooded bank; on the other the blue water. Between the two the railway engineers have drawn the most surprising, flowing, free-hand curves of supple steel. Their mathematical quality sets off the more spontaneous vagaries of the older road beside it. Up hill and down dale this Norland highway twists and turns, past the little church amid its trees and graves, past dwelling-house and tavern and summer cottage and the spreading, red-brick convent, through little woods, two straggling hamlets, round curious back-waters, and doubles back on the further, less inhabited shore to the Narrows.

The colors of the country this day are heady. In a gallery, when I pass from the statuary to the paintings, I seem to hear music strike up all round me. So here this marvellous May day. The blue of the sky mirrored in the still waters of the Basin is enough to make a man unconscious of a body or fatigue. The surrounding hills are clothed with the deep green of the spruces, "green not alone in summer time," and fitting emblem of "that true North," as Tennyson called Canada. The characteristic vegetation is the same as in Scandinavia, intermingled evergreens and birches. So in the winter the landscape is colored bottle-green and dull reddish purple. But the evergreens do not prevail altogether. Through and around them, the hardwoods rally and stand fast in stalwart groups.

Our poets never weary of singing the woods of autumn; but no one seems to have eyes for the wonder of those same woods in spring. The tints, it is true, are not massed in such overpowering strength; but their delicate purity is even more entrancing, and their variety is almost as great as in the autumn. Among the Thousand Islands, this year, there was a day when the wind was still and the trees on all the banks were pastels, mirrored in the river, not merely all possible shades of green, from a chlorine-yellow downwards, but many hues of red of maple buds and oaks. Here by tidewater, the colors are equally wonderful. As I came down a little hill, the sun behind my back turned a single tree into a burning bush of amber, green, and crimson. That was only one. Trees flowed by with red bunches and knots of blossom, trees all crumpled greenish gold, trees all finely moulded waxy spires, like little candles on a Christmas tree, trees with green cylinders, trees with woolly caterpillar-looking things clinging to them. These are chiefly forms of sheaths for the leaves just coming. Some peculiarity of the air made me see everything flat, a series of pictures changing with every stride.

The warm air, too, was full of sweet odors from the myriad myriads of blossoms. Some precious box of spikenard had been broken all over the province of Ultima Thule. Insistent woodland perfumes would check the wayfarer as with tiny, innumerable spirit hands. All along the high bank, little streams, each with its own clear treble, went singing along their channels to the salt water. The birds were calling here and there in wood and thicket.

> Da singet und jauchzet das Herz zum Himmelszelt:
> Wie bist du doch so schön, o du weite, weite Welt!

My way leads into history as well as into the tent of the sky. On that rise where the farmhouses stand was once the dwelling of a Prince of the Blood, the father of a queen. Here he held his mimic court. Here his beautiful and charming French mistress ruled at his dinner parties and receptions. In that quaint belvedere on the mound by the water his guests drank tea and heard music by the military band. When the Prince's Lodge fell to ruin, it inspired the finest page of Haliburton's prose. Over yonder, by Navy Island, near the farther shore under that melted, misty turquoise we call the sea, lie the bones of ancient ships of war. Not so long ago the curious could see their hulls at low water. They are relics of a forgotten, ill-starred Armada that sailed from French ports in 1746 with the design of sweeping the English colonies with fire and sword from Newfoundland to the Carolinas. The Rev. Mr. Prince preached on its defeat in the Old South Meeting House, and Longfellow recorded the story in verse. Hereabouts lie the bones of a thousand Frenchmen of that luckless fleet, who died of pestilence.

The mayflowers were faithful to their annual tryst. They are to be first found by the roadside under the brown autumn leaves at the very end of the Basin, just before the highest point of the road. There they were, the shy, pink-and-white waxen blooms with the indescribable perfume, waiting to be gathered. The people of Ultima Thule have taken this flower, *Epigæa repens*, as their emblem, with

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motto conveying the botanical fact, "We bloom amid the snow." A law on the provincial statute book would safeguard it against appropriation by the neighboring commonwealth of Massachusetts. As it grows hardily, like a weed, it is sought out and prized by the Ultima Thulians. It perfumes the shop, the office, and the drawing-room. It is worn in the buttonhole; it is an article of commerce in the Green Market and in the trains. In truth, it is a winsome flower, fit to be worn on the heart of the province.

The last was the very best. At the very end of the Basin, as I stood on the bridge over the brawling yellow Sackville, before resuming my homeward march on the other side, I looked back across ten miles of blue, land-locked water to the city I had left behind, and then I beheld the crowning vision of the day. On the high and distant rock rose one of Turner's mysterious cities, dwellings and walls and white airy towers soaring out of unnamable gloom. I looked and looked and could not believe my eyes, for there I knew were only squalid hovels of the very poor, a hospital, and a jail. Distance, the magic air, the witchery of spring, the alchemy of light combined in one more miracle.

That was a borrowed day.

Foreign Correspondence

British Labor's Latch-String Out

By HERBERT W. HORWILL

THE adjourned conference of the Labor party held in London this week has adopted the revised constitution whose consideration was deferred from the annual meeting at Nottingham last month. Accordingly, before the next general election, the whole political side of the Labor movement will be reorganized in such a way as to make it a much more formidable competitor of the two great traditional parties. An important feature of the scheme is its definite recognition of "producers by brain" as equally eligible with "producers by hand" for membership of the party—an evident bid for the support of the large number of progressive politicians, outside trade unionism, who are dissatisfied with official Liberalism. The future of the Labor party on the one side and of the Liberal party on the other will be profoundly affected by the nature of the response that is given to this invitation. Even larger issues may be concerned, for upon the new political alignment now in prospect may depend the capacity of the post-election Government to deal effectively with the problems of reconstruction.

Some well-known Liberals of the advanced section have already taken the plunge. Others are anxiously debating whether they had better stay where they are or make the venture of a new affiliation. A doubtful point is whether the community of sentiment and interest between middle-class radicalism and working-class democracy is sufficient to justify the hope of effective coöperation within the limits of a single party organization. Will the two really mix in a compound that will generate energy without friction?

Some are afraid that the differences of environment and training between the two classes will make coöperation difficult. The middle-class man—especially the well-educated middle-class man, to whom the invitation is especially addressed—must naturally look at public affairs at a different angle from that of the manual worker, whose schooling ended during his boyhood and whose opportunities of travel and general social intercourse have been so limited. It is urged, further, that the recruit from the middle class is likely to be suspect in Labor circles. Why should he leave his natural allies and come over to us, the workers will say, unless he has an axe of his own to grind? May not his new-born sympathy with our aspirations spring from the discovery that political power is passing into the hands of Labor, and that the easiest way to a seat in Parliament is by an appeal to the Labor vote, which has been so greatly enlarged by the Parliamentary Reform act just passed? Such suspicions, it is suggested by the skeptics, will be widely entertained even if they are not frankly communicated to their victims. Labor, it is pointed out, has been rapidly becoming more independent and self-reliant. Even lecturers to working-class audiences on non-political topics report a certain change in the atmosphere. Their hearers are not nowadays the docile recipients of instruction imparted to them from above, but take what is said to them on almost any subject merely as an expression of opinions which they are themselves quite competent either to accept or to reject. All this leads up to the conclusion that the true function of the middle-class "intellectual" is to promote social reform by leavening the Liberal party with his own ideas, or—if that task is hopeless or unprofitable—by devoting his time and skill to research without attempting to take any share in the councils of the Labor party itself. The Labor politician is not himself qualified to undertake the investigations which ought to precede the putting forward of practical schemes for reform. In prosecuting such inquiries from the detached position of an outsider, the middle-class man would be doing the greatest real service that he is able to render to the democratic movement.

It is maintained, on the other hand, that this attitude of hesitation is quite unwarranted by the facts of the situation. Within the membership of the present Liberal and Unionist parties there may be found wide differences of income and social position, with corresponding differences of education and outlook, yet these have not prevented effective union for political ends. More than that, in almost every constituency the local associations of the two older parties have included a number of workingmen—for by no means all the manual workers are attached to the Labor party. In their case, class distinctions have created no practical difficulty. Why, then, should any incompatibility be feared from an infusion of the middle-class element into the Labor party? As a matter of fact, although the Labor party has lacked this element in its rank and file, it has admitted a small number of men of middle-class origin and training into its group of leaders, and they have found themselves as much at home in such associations as the men who gained their acquaintance with labor problems by working in the mine or the factory. No list of influential Labor leaders would be complete without the names of Philip Snowden, for some years in the Civil Service; J. Ramsay Macdonald, a journalist by profession; and Sidney Webb, who is no horny-handed son of toil, and has yet been for many years a member of the Labor party, and has taken a prominent part in drawing up some of the most important declarations of its policy. What is now proposed is no more than the extension of a catholicity which has already been successfully tried as an experiment on a limited scale.

Moreover, it must be remembered that the suggestion of this new coöperation comes from the Labor side. It is not

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as though middle-class sympathizers were pushing themselves in where they might not be wanted. If they now affiliate themselves with that party, it will be in response to a deliberate invitation from a representative national gathering of the party itself. It is an offer of a new political home that comes unsought, at a moment when existing party ties are found to be irksome. This fact, it is urged, should dispose of any apprehension that the manual workers may be unduly suspicious of their new associates or resentful of any advantages of influence that the newcomers may derive from their better education.

In anticipation of the formal adoption of the revised constitution, several progressive middle-class politicians, as already mentioned, have formally dissociated themselves from Liberalism and joined the Labor party. Charles Roden Buxton may be mentioned as a typical example. A considerable accession of men of this type will greatly strengthen the chances of Labor successes at the next election. One of the disabilities of Labor in the past has been that its mental processes are slow, and that in making known the results of its thinking it is inarticulate. This handicap has often been noticed in conference between employers and employed for the settlement of strikes and similar troubles. The men have assented to proposals from the masters' side without realizing all that was involved, and the compact, though entered into without undue pressure, has consequently broken down as soon as an attempt was made to put it into practice. In like manner, in election campaigns, Labor candidates have frequently appeared at a disadvantage, as compared with the representatives of the older parties, through their difficulty in quickly mastering unfamiliar topics and through the tendency of their speeches to lose themselves in vague rhetoric or declamation. These recruits from Liberalism will not only improve the quality of the panel of parliamentary candidates, but will have an opportunity of doing valuable educational work without any appearance of being didactic. The pressure of war problems has started active thought on politics in the minds of thousands of trade unionists to whom Labor organization meant previously nothing more than a source of sick benefit and strike pay. The guidance of men who for years have been studying the controversial questions of domestic and foreign politics, with a background of historical and economic training, should both stimulate and inform the multitude of manual workers who have but scanty time and ability to conduct any exhaustive inquiries for themselves.

London, February 28

Reticence

By CHARLES R. MURPHY

GREAT rock that burns at midday, where have they gone
Those ancient noons, though noon is here again?
Shall it be you to fear a rising dawn
Or sink beneath the faintness of the moon? . . .
Pollen and steel and night and day shall swoon
And of them all what lineament remain? . . .
Shall blind hands mould you to a shape of meaning
To wring from you assurance, late or soon? . . .
Forever shall this naked sun be leaning
To your still self that keeps eternal noon? . . .

Correspondence

Democracy: Russian or Real

TO THE EDITOR OF THE NATION:

SIR: As one whose ignorance of things Russian is encyclopædic I should like to offer a few reflections upon Manya Gordon Strunsky's article, "Russian Democracy and the Allies," which appeared in your columns for February 28. The writer's enthusiasm for the ideals of the suffering Russian democrats I found exceedingly contagious, and it nearly persuaded me of the correctness of Mrs. Strunsky's thesis: "Russia would still be fighting on the side of the Entente had it not discovered that the Allies' conception of democracy was irreconcilable with the ideals of free Russia. The famous secret treaties created the chasm."

On further reflection, however, I asked myself how it was that Russia had made the discovery referred to, and then I remembered that it was through the overthrow of Kerensky by the Bolsheviki. But the almost universally accepted explanation of Kerensky's overthrow, as I had understood it, was the great desire of the Russian people for peace, and the fact that the Bolsheviki promised to satisfy this desire. Now, if it be true that this desire for peace was the indirect cause of the publication of the treaties, it is a little hard to see how the publication of the treaties could have been the real cause for the desire for peace. Quite aside from this, moreover, the longing for peace seems a much more plausible explanation of recent events in Russia than does any amount of democratic enthusiasm. I should like to believe all sorts of good things about the Bolsheviki and am willing to be persuaded that Trotzky is a second Lincoln and that Lenine is a Washington in disguise (though it would have to be confessed that the disguise is an uncommonly good one). But somehow I fail to understand how the pure democratic idealism of the Russian type can explain the surrender of the Armenians to the tender mercies of the Young Turks.

We have enough to blame the Entente diplomats for without adding that "it is their criminal stupidity that has handed over Russia to the Germans and German ruthlessness." The Russians themselves seem to have had something to do with that transaction. Not that I would in any way divert sympathy from suffering Russia. Sympathy she needs, but not sentimental idealization. The Russians have made peace not because of the nobility of their ideals, but because they are a terribly war-weary and not over high-spirited people, who have had no experience in self-government and whose horizon is naturally rather narrow. In the long run, no good purpose is to be attained by dodging the facts, even out of kindness, or by exaggerating the virtues of our friends. Too great glorification of the Russians as the true democrats, moreover, may have the effect not of increasing our admiration for Russia, but of making us suspicious of democracy itself. "With the Russian people in the lead," writes Max Eastman in the *Liberator*, "the world is entering upon the experiment of industrial and real democracy." Persuade the people of England, France, and America that "real democracy" is the sort of thing the Russian people is leading us into, and you do the Kaiser a service greater in value than the winning of many battles.

JAMES B. PRATT

Williamstown, Mass., March 5

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The Universal Molière

TO THE EDITOR OF THE NATION:

SIR: Much has been written about *l'homme fatal* in French literature, the *beau ténébreux* who, swept on irresponsible by his fate, left a path of ruin. But I have never seen attention called to the fact that the universal Molière anticipated the Romanticists here. In "Les fourberies de Scapin" (A. I, sc. IV), the rascally valet tries to excuse to Argante the hasty marriage of his son Octave.

SCAPIN—Que voulez-vous? il y a été poussé par sa destinée.
ARGANTE—Ah, ah! voici une raison la plus belle du monde. On n'a plus qu'à commettre tous les crimes imaginables, tromper, voler, assassiner, et dire pour excuse qu'on y a été poussé par sa destinée.

Is this not, in comic guise, the substance of Hernani's tragic self-description?

HERNANI. . . . Je suis une force qui va!
Agent aveugle et sourd de mystères funèbres!
Une âme de malheur faite avec des ténèbres!
Où vais-je? je ne sais. Mais je me sens poussé
D'un souffle impétueux, d'un destin insensé. . . .
Hélas! sans le vouloir, je te ferais du mal!
(*A. III, sc. IV.*)

GEO. N. HENNING

Washington, D. C., March 19

BOOKS

Professor Saintsbury and French Fiction

A History of the French Novel. Vol. I: From the Beginning to 1800. By George Saintsbury. New York: The Macmillan Co. $5.50 net.

BELONGING to the elder generation of English scholars, Professor Saintsbury has long been distinguished for his wide acquaintance with literature, for the gusto of his appreciations, and his very individual manner of attack in criticism.

Undoubtedly he is attached to his subject and appreciates its many "kinds" from early romance to fairy tale. He has an almost passionate sense of poetry and beauty and his finest style is displayed in connection with Guinevere and Manon. His very whimsies are often pardonable on account of his strong individuality. And he possesses a certain casual richness, if not always of exact knowledge, at least of atmosphere, allusiveness, general mentality.

Professor Saintsbury announces in the preface his intention to record the "*pleasure* of literature. I might almost say that it is the history of that pleasure, quite as much as the history of the kind itself, that I wish to trace." This is an illuminating confession of kinship with Anatole France. Fully as illuminating, in the absolute leeway that it gives to individual judgment, is this passage concerning Authorities:

I have been asked whether I know M. Bédier's handling of them [the *chansons de geste*] . . . No one can exceed me in respect for perhaps the foremost of scholars in Old French. But my "conception" of the *chansons* was formed long before he wrote . . . from the *chansons* themselves. It is therefore not subject to "revisal" except from my own re-reading, and such re-reading has only confirmed it.

We need then to reckon only with Professor Saintsbury's History and with Professor Saintsbury's methods of receiving and giving pleasure.

First—his History. As a matter of content, the volume ranges from the earliest French documents to Constant's "Adolphe" (1816). There is not a great deal of critical "meat" in some of the longest chapters. The use of abstracts and of excellently translated "morsels" are among the features of the volume. It takes Professor Saintsbury ten pages to epitomize the first part of the "Grand Cyrus"—and there are ten parts. This promises terribly. The whole massiveness of Mlle. Scudéry occupies fifty-three pages. *En revanche,* "Paul et Virginie" is briefly scouted, "Télémaque" and Cazotte's "charming 'Diable amoureux'" are relegated to footnotes, and "Aucassin et Nicolete," though admittedly worthy of all praise, is shortly disposed of, because already it "has been so much written about."

Perhaps these matters of balance and perspective are also individual—even in a history. It is the author's intention to be illustrative and suggestive rather than exhaustive; and certainly there are many pleasing examples of judgment and shrewdness. Professor Saintsbury is good on the fictional elements in the *romans d'aventure,* on the "cruel heroine" and "sensibility," on the cosmopolitan importance of "Gil Blas," and the transitional character of "Adolphe." There are acute side-remarks on such things as the French tendency towards types and the birth-throes of the historical novel, "which never succeeded in being born for two thousand years." And always one is impressed by the author's actual contact with a vast number of masterpieces, though it is difficult to see why that should often preclude an esteem for the best studies about them.

Impatience with or ignorance of authority is manifest in the passages where G. Paris and Professor Bédier are gainsaid simply on grounds of opinion. Averse to "stock controversies" as Professor Saintsbury declares himself, he yet plunges into them sufficiently to perturb the waters. There are plenty of "voices that bark from the basement," as Sainte-Beuve once defined foot-notes, but they give no account of their *provenance.* "Questions of dates and names and places, of origins and borrowings and imitations," our author calls "idle questions"; and he is full of contempt for "literary busybodies," among whom he would apparently include a good many real contributors to French literary history.

The Eastern story, Professor Saintsbury finds, did not help the eighteenth-century novel—though this is later contradicted. There is some confusion in his mind between the Oriental tale and the fairy-tale proper, of which he makes a great deal. He makes much more of Anthony Hamilton than of Voltaire, against whom he is morally prejudiced. He is also weak on the "Princesse de Clèves" and generally on eighteenth-century fiction, concerning which he gives us diverse judgments.

His main thesis is that there is a nearly continuous drive in French fiction, culminating in the nineteenth century, towards the depiction of reality. Let us say at once that this thesis can in general be defended, though not always with the examples and arguments that Professor Saintsbury has chosen. It is on the ground of reality that he successively commends the *fabliaux*—though not apparently Rabelais—Sorel's "Francion," the "Roman comique" (mistranslated as Comic Romance), the "Roman bourgeois" of Furetière, and the chief eighteenth-century authors, barring the *philosophes.* The reality considered is sometimes

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that of "ordinary life," sometimes that of more refined living. Perhaps it is on the latter basis that the heroic romance is praised for "a kind of realism"—one can imagine Boileau's shudder—its connection with the "actual society, manners, fashions of its day." The acme of this rough sort of evaluation seems to be reached when to the fairy-tale itself is assigned a group of realistic qualities.

Nor is this all. There are evidently other standards, which serve frequently to confuse and darken Professor Saintsbury's counsel. There is notably this passage, with regard to the Pastoral:

> It has another and a wider claim—that it keeps up, in its own way, the element of the imaginative, of the fanciful—let us say even of the unreal—without which romance cannot live, without which the novel is almost repulsive, and which the increasing advances of realism were to render more than ever indispensable.

Our author puts then a sincere and high estimate—who would not?—on poetic and imaginative qualities, and he can therefore appreciate flights, like those of Guinevere and Julie, that have little to do with ordinary reality. Again, he sometimes seems to make plot all-important, sometimes the "art of telling," often, as with Marianne, individual characterization. As for idiosyncrasy, indeed, it is, as we should expect, "the inseparable accident of all great literature," and Voltaire is condemned for the lack of it.

These are confusions of alternating though usually excellent standards, which more attention to detail, less absoluteness in statement, and more balance in appreciation might well have cleared up. The question of a strong individuality appearing athwart the stream of historical continuity is surely a vexed one; it arises in the case of Professor Saintsbury himself as well as in the case of Rousseau.

We may now consider the History from the other standpoint of "pleasure." Certainly there is much pleasure to be derived from reading such an entertaining, partially instructive, and genuinely enthusiastic book. "I have kept to my old ways," boasts Professor Saintsbury, but in fact those ways have "wound about" considerably even since the "History of Criticism." This growing egotism and garrulity do not then always minister to our pleasure, nor does a certain digressiveness, marked by numerous parentheses and allusions. The wealth of allusiveness is tremendous. We begin with Balbus, we have the ancients and many moderns sown thickly throughout, we end with the Heir of Lynne and "Tom Jones." Professor Gildersleeve, a master of the allusive manner, has spoken of renouncing it; Professor Saintsbury would certainly do well to contain it, for the effect on his general style is to contribute occasional obscurities and ellipses, frequent jumpiness and jerkiness—a hiccoughing sort of style.

And yet there are passages of much beauty as well as phrases of a happy rightness: the definition of Pantagruel's "À boire!" and the oracle's "Trinq" as respectively "the Morning Hymn and the Evening Voluntary of the book"; the conception of Madame de Longueville as hauling up Victor Cousin, her posthumous philosopher-lover, in a basket to her window; the mention of the chief occupation of Crébillon's society as "conducted under the three great verbs, *Prendre, Avoir, Quitter.*" More romantic is the reference to "Marlowesque diabolism" which "glows with a black splendor," to the Lancelot story as arising from a "complicated, fateful, and exquisite imagination"—and the picture-passage concerning "the fatal revelation of Melior's charms and the galloping of the maddened palfrey along the seashore, with the dark monster-haunted wood behind." As said before, Professor Saintsbury feels poetry, feels passion—that "great and terrible and infinite word"—and along with these he feels many essentials. Why should he not stick to æsthetic and appreciative criticism, elsewhere than in a History? *Quia multum amavit.* . . .

Polite Romance vs. Icelandic Saga

The Bag of Saffron. By Bettina von Hutten. New York: D. Appleton & Company.

Aliens. By William McFee. New York: Doubleday, Page & Company.

The Return of the Soldier. By Rebecca West. New York: The Century Company.

Twinkletoes. By Thomas Burke. New York: Robert M. McBride & Company.

Gudrid the Fair. By Maurice Hewlett. New York: Dodd, Mead & Company.

THE Baroness von Hutten's fiction has always belonged frankly to the order of polite romance. There are certain conventions and usages which, however he may choose to play with them, are to be accepted as premises by the reader of this kind of novel. They set the limits of aristocratic romance; in their light, love in a cottage is a wistful dream, and love between persons of unequal rank or breeding is preordained mockery. They get on famously with the heroine who (like Freifrau von Hutten's "Mag Pye") is a princess in disguise, but they can make nothing of a veritable beggar maid. They worship a gentleman, and exult in the immunity from petty virtues conferred upon him by that magical asset, breeding. No doubt the moral of "The Bag of Saffron" essays to be "all for love and the world well lost"; but it loses courage at the end and huddles up matters by means of an ignominious, not to say shameless, compromise. Stripped of its drawing-room manner, what does the tale amount to? "Cuckoo" Blundell is left as a child to the care of two maiden aunts. Her father (but for his breeding) has been a good-for-nothing, an amiable philanderer. The girl is neither beautiful not amiable, but she has will and a certain charm. She determines to win the worldly prizes—wealth, travel, luxury, position. Young love almost betrays her, in the guise of an old playmate—a gentleman, but not in the glorious way as to either person or possessions. She throws him over, and, in circumstances of singular ingratitude and treachery, tries to bag a rich bounder for a husband. Chance betrays her mercenary design and condemns her to marry her good young man. They are unhappy because they are poor. She runs away with an old libertine of sixty—very rich. He has a family jewel called "the bag of saffron." By tradition it brings bad luck if given to any woman but a good one. He has not given it to any of his wives or mistresses, and will not give it to Cuckoo—till she shows her real virtue by deserting him for her former husband! By dint of her skill in sentimental *camouflage*, the story-teller almost persuades us to accept this on the romantic plane. Our old "heart-eater," Janeways "The Magnificent," who has had his way with the love of women without losing their friendship, and even in old age remains cock of the walk, is akin to Meredith's "Old Buccaneer" of "The Amazing Marriage," who also,

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it will be recalled, crowned his career by carrying off another man's young wife. But this gentleman's magnificence is seen to belong to the spotlight before we are done with him; towards the end a tale which has been held up to a kind of dignity by main force tumbles helpless into claptrap. "The Magnificent" is, as it were, tickled to death by Cuckoo's discovery that the other fellow is her real husband, and by her determination to sacrifice everything for him. But, of course, it will not do for her to pay the price. The other fellow is very ill and needs her, but "No woman can possibly survive two scandals!" pronounces Janeways. Therefore she is to keep up appearances as Lady Janeways, it being agreed that Janeways shall make a secret and liberal allowance to the former and future husband, so that he may get well and in due season respectably come in for the Janeways widow and fortune—including the Saffron Bag!

In sharp contrast with all this hypocritical conformity and snobbish sentiment is the atmosphere of "Aliens," by William McFee. It is a story of revolt from just that kind of thing. So also was the third part of an earlier and somewhat over-trumpeted story by the same writer, "Casuals of the Sea." From the long and jaunty Preface of "Aliens" we make out that the idea was first used some years ago in a short story which was refused in many quarters, was later developed into a novel which was accepted by a London publisher, and has since been recast in the present form. The writer says that its object is to "shed a flickering light upon the fascinating problem of human folly." But it has a clearer object or animus than this in identifying human folly with human conformity. It is all for the free life, dungarees, and a red-blooded self-determination, as against the carking responsibilities of citizenship, lawn-mowers, and domestic routine. The romantic plot in which the quaint hero is involved is an invention, and a very good one. As for the substance of his career, it follows closely (if we may trust a biographical article printed in an American magazine a year or two ago) the outline of the author's own experience. Carville (like his creator) is articled in youth to a firm of London engineers, gets his first step upward, loses his job through a single costly error, and lands in the engine-room of an ocean-going tramp. He works his way up slowly to the post of Chief, filling his spare time at sea with the reading of many books and the beginnings of authorship. Always he carries with him a hatred of English ways, above all of that social snobbery which has embittered his mother's life. Therefore he chooses a foothold in America for the Italian wife whom he has acquired so romantically, and to whom he is so quietly devoted. Therefore he is consciously an alien, a man without a country. Meanwhile, he is respectable and responsible according to his lights. The romantic plot centres in another person, Carville's brother, a sort of land pirate, a brilliant and conquering male, whose existence is from first to last a promise to all women and a menace to all men —a youthful and vulgarized kinsman of Meredith's "Buccaneer" and Freifrau von Hutten's "Magnificent." It is to the solid and virtuous brother that, in the end, Fate is kind: an item that we may throw in the teeth of the author's pretensions to cynicism. In style the book inevitably suggests Joseph Conrad—especially in the matter and manner of Chief Engineer Carville's long stretches of intermittent narrative.

"The Return of the Soldier" is likewise, in its way, a story of social denial. It is based upon a novel situation furnished by the chances of war. A British officer (like the youth in Mrs. Ward's "Missing") becomes a victim of "shell-shock and amnesia" and is supposed to be dead. When, in an English hospital, his consciousness returns, it is incomplete in point of time. He fancies himself still the youth of fifteen years ago who has been deeply in love with the beautiful daughter of an innkeeper and has meant to marry her soon. He thinks only of seeing her. In fact, they have been separated by a quarrel and misunderstanding (pure machinery this), and both have been married for years, she to a rather feckless man of her own class, he to a luxurious and brainless kitten of his own. As he is physically sound, he is permitted to return to his old home, where he is distressed at the changes that have been made (largely by himself at his wife's insistence) since his remembered boyhood, and annoyed by the presence of the wife, who means (and deserves to mean) nothing to him. He demands to see his old love, and accepts her, middle-aged, faded, and shabby though she is, as the only human companion in whom there is any comfort. For some time he is permitted to be happy in her friendly presence, but it is clear that the situation cannot go on forever. He must be cured; and it falls to the old sweetheart, who is now his devoted friend, to deal him (by, alas, purely artificial and literary means) the shock which restores him to his later self—and sends him back to the front. That, we take it, may be the best way out for one who, having lost his chance of positive happiness, can look forward only to gradual smothering and stultification in the soft ease of his conventional well-being.

The author of "Twinkletoes" has been highly lauded for his discovery of a new field of romance among the dregs of London's lowest slums. His ruling idea is not new: current fiction is full of virtuous prostitutes, honest gamblers, and kindly murderers. Nor is his technique altogether novel; with all their unfamiliar "localism," the tales in "Limehouse Nights" are evidently the product of a workman well versed in the methods of "O. Henry" and other modern masters of the "short story." Many of them end with that "punch," that artificial jolt of surprise, which, we are told, now adds a hundred per cent. to the value of a short story in the eyes of our popular magazine editors. But he has procured a new flavor for his commodity by a bold mingling of (or oscillation between) brutal naturalism and movie sentiment. There is something better than movie sentiment in "Twinkletoes," the tale of a fairy-like child of the slums, who lives in a dream-world and is slain by the inevitable moment of disillusion. It is, after all, an artificial high light that throws her in relief against her background—a lily incredibly white springing from a mire unspeakably foul. One does not quite believe in her or in her author. There is more originality as well as more honest human nature in a tale like Mr. Hewlett's "Gudrid the Fair," ancient and remote as its sources are. In this little prose saga, as in "Frey's Wife" and "Thorgils," the romancer has taken his materials from the storehouse of Icelandic saga, whose treasures are so little known to the world at large. In his present Preface he offers a brief defence of his matter and method. "Of all the classics known to me the sagas are the most unapproachable in their naked strength. Their frugality freezes the soul; they are laconic to baldness." Like the Greek epics, they attempt no characterization. What tempts Mr. Hewlett is an imaginative exploration of the human personalities that lie behind these great and misty names. Therefore, in telling a tale that involves the discovery of America by Leif, the son of

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Eric, he finds himself interested chiefly in his portrait of a good woman, as in "Thorgils" he had been interested in the portrait of a good man: "The great gestures, the large-scale maps, the grand manner are for history and the epic, but *genre* for the novel—and what *genre* is so momentous to it as the human? . . . I confess that to me Gudrid, the many times a wife and the always sweet and reserved, is more absorbing a tale than the discovery of Wineland." Far be it from us to suggest that the Baroness von Hutten or Mr. Thomas Burke or any one else should try to find his inspiration where Mr. Hewlett happens to find it—in the past instead of in the present. But who among moderns might not do well to cultivate his instinct for the sound kernel of human character that alone gives value to the roundest shell of imagined action?

Japan with Pen and Pencil

Japan Day by Day. By Edward S. Morse. 2 volumes. Boston: Houghton Mifflin Company. $8 net.

THE writer of these two volumes has made a reputation in the fields of zoölogy and ceramics, and for several years was in Japan carrying out investigations in brachiopods and other of the lower forms of life. The study of ceramics began as an avocation, but was pursued with such devotion that Professor Morse is now best known as an authority on Japanese pottery and keeper of Japanese pottery at the Museum of Fine Arts in Boston. During his residence of four years in Japan, most of the time as professor of zoology in the University of Tokio, he kept a daily journal, always recording what seemed to be characteristic of an alien civilization. He had the happy faculty of making rough but realistic sketches to interpret the notes. His book entitled "Japanese Homes and Their Surroundings" has taken a secure place in the literature dealing with things Japanese. And now he presents these journal notes as a continuous record. The "thumb-nail" sketches retain their original crude immediacy, many of them being made under trying circumstances, in jostling crowds, even from bumping jinrikishas. But, as an artist friend observed, "they possess a certain psychological value which if redrawn they would lose." This is particularly true of odd bits like Figure 404, a sketch of his Japanese colleague's assistant, as he rode ahead of him on a rough Yezo pony. It was in the wilds of the northern islands that Professor Morse first learned to straddle a horse, and he records many amusing, sometimes painful, experiences when on and off the backs of these untrained brutes.

As the northern island of Yezo or Hokkaido is being rapidly colonized, his remarks on the interesting aboriginal people, the Ainus, are of considerable value. At the time he wrote, just forty years ago, they were still called "Aino," a name changed later to "Ainu" by Batchelor's researches. There is a careful description of the peculiarities of this hairy race. In the first Ainu hut that he entered he found three men in the one large room, "all with heavy black beards and tangled mops of long hair, their faces strongly resembling those of our race. Not a trace of Mongolian was detected. The men were sitting cross-legged on the floor around a large dish of saké. One of them was performing a monotonous dance, making a curious gesture of the hands as if bowing to the window, to a glint of sunlight on the floor, to everything about the room, and to the shrine outside, which consisted of a dozen bear skulls stuck on the ends of long poles. They were all really intelligent-looking men, with their long, dignified beards, and it was impossible to realize that they were low, unlettered savages without moral courage, lazy, and strongly addicted to drunkenness, supporting themselves by hunting with bow and arrow and fishing." So little powers of observation had they that when one of the Japanese asked them where the professor came from, they answered nonchalantly that he was the same as the Japanese! The intellectual head is quite characteristic. The reviewer remembers seeing one of a number on horseback, who passed and repassed the village hotel where he and a friend were stopping—both of us from one of the larger universities—and his striking resemblance to the keenest-witted man on the whole faculty when we were undergraduates made us cheer him as he rode by in the race: "Hurrah for Professor C. B.!" It was in subduing these aborigines that the remarkable fighting qualities of the Japanese samurai were developed. Even in the times of Queen Elizabeth they seem to have been in possession of the mainland as far south as Sendai; and yet to-day they are an absolutely negligible quantity. It is a striking case of retrogression.

Mr. Morse found interesting material for his investigations into mollusc life. "At Shiraoi, where I made many Ainu sketches, we found many beautiful white snails clinging to the bushes. With the exception of one species, the shells were light and delicate. The fresh-water shells are equally thin, and some of the land shells are almost colorless. The absence of lime in the soil is supposed to be the reason for the thinness of the shells."

It was at Omori on the high road from Yokohama to Tokio that Mr. Morse made the investigations into shell mounds, published as an elaborate Memoir by the Imperial University of Tokio. He records a visit to the place: "We visited the Omori shell mound again to make a collection of the different species of shells composing it, and then went to the beach to collect the living examples washed up along the shore in order to compare the two. I had begun to notice the difference in the shells some time ago, not only the variance in size, but a difference in proportion. Three species of a bivalve shell (*Arca granosa, lamarckiana,* and *ponderosa*), having radiating ribs like a scallop, have increased the number of ribs since the shells were deposited; one species of whelk (*Eburna*) has a more acute spire to-day; another species (*Lunatia*) has a less acute spire." To which is appended a footnote: "That portion referring to the changes observed in the shells was sent to Darwin, and in reply he said: 'What a constant state of fluctuation the whole organic world seems to be in!'" ("More Letters of Charles Darwin," Vol. I, page 383).

The writer's travels embraced the southern island of Kyushu, where he continued his investigations into bivalves. "We took a boat down the river to the sea, and as the tide was up collected from the piles of shells near the fishermen's huts, getting many fine specimens in perfect condition. Imagine my amazement upon finding on one of the refuse piles a large number of the shells of the large green *Lingula anatina!* The animal had been used for food, and I ran around like a maniac to find somebody who could tell me where they were dug. I soon learned they were dug at low tide and were a common article of food. Here was the creature that had alone brought me first to Japan, and for the moment I felt like abandoning everything to devote my whole attention to this ancient worm." Then follows a para-

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graph describing the curious crab known as *Heike gani*, whose back has a grotesque resemblance to a human face. These crabs are popularly credited with being the ghostly remains of the Heike warriors killed in battle seven hundred years ago.

The various topics, always in the same realistic manner, cover a wide range of Japanese life: kite-flying, falconry, fire-engines, woman's hair-dressing, boatmen's chanties, theatres, music and musical instruments, pottery glazing and decoration, and what not. In these war times a paragraph at the close of the first volume is of interest: "In return for a concert the Educational Department gave to the foreign professors, four of the University professors formed a quartet and practiced a number of songs . . . 'Pilgrim's Chorus'; a few songs from the Arion collection; 'Old Hundred'; 'All honor to the soldier be,' and others. . . . 'All honor to the soldier be' we sang with great spirit, and were somewhat abashed to learn that the sentiments were offensive to the gentle Japanese. We were informd afterwards that the Japanese have neither in poetry nor prose extolled the glories of battle."

The tone throughout is friendly and appreciative; these years were evidently a period of hearty enjoyment, when he saw the people at their best. The volumes are an extremely valuable compendium of information dealing with an attractive civilization. There is an excellent index.

Finland and the Finns

Finland and the Finns. By Arthur Reade. Illustrated. New York: Dodd, Mead & Co. $2 net.

THIS is a book on Finland by an Englishman who has been imbued with the Finnish spirit. Only an Englishman with an Englishman's inherent love of constitutional liberty could grasp and set forth so understandingly the problems which Finland has had to face during the past century. Particularly at this time, when Finland is torn between sympathy with revolutionary Russia, a desire to return to the protectorate of Sweden, and the hope of becoming an independent state, is this work of more than passing value to students of world conditions.

It is altogether probable that the Finns occupied Europe as a fully developed race long before the opening of the historical period, and it is interesting to read an intelligent description of so ancient a race in its recent physical, economic, and social development—more particularly a description by one who is neither Finnish, Swedish, nor Russian.

While much of the book is an intimate picture of Finland, its people, and its ways, the author also deals fairly with its more recent history, dating back to the acquisition of the country by Russia in 1809. His analysis is reliable and trustworthy, and is devoid of false color. Mr. Reade believes, correctly in our judgment, that Finnish culture, literature, and art are essentially of Swedish inspiration. The purely Finnish element in the life of the people is readily detected in its social and economic drift.

In his analysis of Finnish literary work, Mr. Reade's grasp does not seem to be so firm as in his discussion of the country's political and economic situation. He does not altogether succeed in setting forth what lies back of Finland's literature, which breathes a purer spirit, perhaps, than that of any other comparatively modern literature. In the works of Topelius Mr. Reade does not find so much interest as in the man himself. Yet Topelius, intelligently translated, might rank well with Dickens in English or with Hugo in French. Kivi's realism is correctly described by Mr. Reade as that of the sixteenth century. The author does well to remind us of Juhani Aho, a writer perhaps as purely Finnish in thought as any the country ever produced, but little known outside of Finland. But whatever may be said as to his relative classification of Finnish novelists and poets, too much credit cannot be given Mr. Reade for his scholarly comments on Elias Lennrot and his work, "Kalevala," which has been fittingly called the Odyssey of Finland. Lennrot was, perhaps, more a collector of poetry than a writer of it. Humboldt says of him in his "Kosmos," that "he collected from the lips of the Karelians, and the country people of Olenetz, a large number of Finnish songs," in which, according to the words of Jacob Grimm, "there breathes an animated love of nature rarely to be met with in any poetry but that of India." To any one who seriously seeks knowledge concerning the spiritual past of what is believed to be the oldest race in Western Europe, Mr. Reade's chapter on The World of the Ancient Finns is particularly recommended.

Mr. Reade closes his book with a chapter on Finland and the war. As the work was on the press before the outbreak of the revolution in Russia, no reference is made to Finland's status at the hands of the new Russia. In a clear analysis, however, the author outlines the relations of Finland to Russia over the hundred years during which she has been a part of the empire. Particularly interesting and instructive is that portion devoted to the efforts of Russia to de-autonomize Finland and the Finnish people, contrary to the manifesto of Alexander I, guaranteeing to Finland its constitutional rights and native government. Mr. Reade closes his able and scholarly work with the following significant observation:

> It is clear that if the principles for which the Allies claim to be fighting are to be carried out, Finland must receive other treatment than she was receiving before the war. . . . It would be folly to predict a golden path for Finland, and the period of readjustment cannot be viewed without anxiety. But the path of exclusiveness will not be the path of safety. That lies, rather, in a closer understanding with the men who stand for progress in Russia, and who have over and over again had the courage to stand up for Finland in the past.

Already this prediction has come true. Finland is in the throes of a revolution from within and without. She is turning to Sweden, to Russia, and to herself, threatened on all sides. Though spared much of the bloodshed that has come to other buffer states, Finland has not solved the problem of her future.

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Notes

EARLY in April the Woman's Press will publish "Mobilization of Woman-Power," by Harriot Stanton Blatch.

G. P. Putnam's Sons will publish shortly the following volumes: "Greatheart," by Ethel M. Dell; "Schönbrunn," by J. A. Cramb; "The White Blanket," by Belmore Browne; "Luxemburg," by Ruth Putnam; "Deductions from the World War," by Lieut.-Gen. von Freytag-Loringhoven; "Sea Power and Freedom," by Gerard Fiennes; "The Modern Pistol and How to Shoot It," by Walter Winans; "The Destinies of the Stars," by Svante Arrhenius; "Songs of a Miner," by James C. Walsh.

Putnams, acting as the American representatives of the Cambridge University Press, announce the publication of the following volumes: "Social Life in Britain from the Conquest to the Reformation," compiled by G. G. Coulton; "Grace and Personality," by John Omar; "The Book of the Prophet Isaiah," revised edition, introduction and notes by Rev. J. Skinner; "The Historical Register of the University of Cambridge," edited by J. R. Tanner.

THE April publications of the Century Company include the following books: "The Blue Jays in the Sierras," by Helen Ellsworth; "The A B C of Voting," by Marion B. Cothren; "Runaway Russia," by Florence Harper; "The War Whirl in Washington," by Frank Ward O'Malley; "The Nations at the Peace Table," by Lothrop Stoddard and Glenn Frank; "Right above Race," by Otto H. Kahn; "Ladies from Hell," by R. K. Pinkerton; Raemaekers's "Cartoon History of the War," Vol. I; and "A Woman's War-Time Journal," by Dolly Summer Lunt (Mrs. Thomas Burge), introduction and notes by Julian Street.

We regret that in our issue of February 28 we listed as a Putnam imprint "Evolution in Modern Thought," which should have been mentioned as a Boni & Liveright publication.

IN the course of his excavations on the Palatine in Rome, Comendatore Giacome Boni, the celebrated Italian archæologist, has just unearthed a beautiful marble statue, apparently an original Greek work of about 400 B. C. The figure is 85 centimetres (nearly three feet) high, and is of the *Nereid* type. By some it has been identified as a figure of Victory, and probably the Romans assumed it to be a Victory when they brought it to Italy from its original home in Greece. The workmanship of the statue is excellent. This is doubtless one of the most important discoveries made on Italian soil in recent years.

OWING to its similar title, "The England of Shakespeare" (Dutton; $2 net), by the Rev. P. H. Ditchfield, invites comparison with "Shakespeare's England," the admirable work which was issued by the Clarendon Press on the occasion of the tercentenary of the poet's death, and which was the result of the collaboration of a number of the leading specialists in Elizabethan and Jacobean matters. Mr. Ditchfield, however, whose manuscript, as he tells us, was nearly finished before the appearance of the larger work, wisely deprecates any comparison and confesses that his own volume, measured with the latter, is like a cockboat beside a galleon. The simile is not inept, for his book is really a work of popularization of the lighter kind and makes no appeal to professional students, the illustrative materials drawn on being almost entirely such as are already familiar even to those who have never wandered from the beaten paths of Elizabethan study. Nevertheless, the volume is written *con amore*, covers the whole field of Elizabethan life, and the information it contains, though not far sought, is generally sound, so, perhaps, it may sow seeds of interest in the mind of "the general reader," if such a person still exists, and stimulate him to penetrate still deeper into that magic realm of Shakespeare and Elizabeth.

WRITING of Tennyson, Dickens, Swinburne, and the Brontës, in "Hearts of Controversy" (Scribner; $1.75 net), Mrs. Alice Meynell may well believe that exposition and interpretation are by themselves not strictly necessary; but she proves that for controversy there may still be a place, and she proceeds with her characteristic grace and delicacy to controvert the reactionary opinions that condemn Tennyson as illustrating a rather insipid bygone taste, do injustice to the literary art of Dickens, and judge Swinburne as an exponent of the very qualities he mainly lacked. Here is material in which Mrs. Meynell, herself mistress of thoughtful, sincere expression both in prose and verse, is entirely at home and in which she interests the reader, however definite his own convictions. After reading, he will be inclined to think he has agreed with her, in the main, from the outset. She has the power of summing up situations or tendencies in unforgettable phrases, as when she writes (page 78): "Our literature was for at least half a century strewn with the wreckage of Gibbon"; or when she differentiates between "insincerity of thought and the insincerity of a paltry, unvisionary image." Mrs. Meynell's own love of the right word is ever apparent.

THE two recent additions to the Loeb Classical Library, the first volume of the Epistles of Seneca, translated by Richard M. Gummere, Ph.D., and Cæsar's Gallic War, translated by H. J. Edwards, C.B., measure up well to the standard set by their precursors in the series. The translator of the Epistles has given us a smooth and readable rendering of the moral essays of the gentle Stoic philosopher, and if his version does not always reflect the grace and vigor of the original, it is accurate, spirited, and surprisingly literal. The reader will find in these graceful preachments much that will please and profit. Mr. Edwards in his careful and almost painfully exact translation destroys some of our preconceived notions as to how Cæsar's Bellum Gallicum should be translated. An evident effort is made to avoid hackneyed renderings, and the translation is not always improved thereby. The reader will be a little disturbed at the first page and startled at meeting his old friend Titus Labienus clothed in the dignity of a lieutenant-general, but will find no difficulty in following the Latin text in a translation which is wonderfully clear and accurate, although it is a question whether the author has struck a fair balance between exactness of rendering and grace of expression. It is a pity that in this volume, which, with its maps and plans, introduction, appendixes, and indexes, contains so much helpful information, the publishers have seen fit to use so thin a paper.

THE title "The Homely Diary of a Diplomat in the East" (Houghton Mifflin; $5), by Thomas Shelton Harrison,

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brings three disappointments: this glittering record of balls and dinners—interlarded with menus—is far from "homely"; there is no mystery of diplomacy in the good Consul-General from Philadelphia; and though the diary was penned in Cairo, there is no flavor of Egypt unless it be the tobacco which clings to every page. But it is interesting to observe the daily life, foreign—though outwardly unaffected by the surrounding Orient—of these hospitable, kindly Americans, who enjoyed contact with the striking personalities to be met in the East in the late nineties. Photogravure portraits of many of these celebrities appear in the book, which has an introduction by Sara Yorke Stevenson.

IT must be admitted that "The Life and Letters of Edward Everett Hale" (Little, Brown; $5 net), by his son, Prof. Edward E. Hale, jr., is something of a disappointment. Those who have heard Dr. Hale preach and have felt his magnetism will find little of this quality in this record. The narrative is diffuse, and many of the letters dealing with family matters and the incidents of travel are savorless in the dead mechanism of type. And there is a kind of hasty facility in the mind of the man himself, emphasized by something of the same quality in the biographer, which dissipates the reader's attention. Dr. Hale was active in the church and in literature. Of the former activity the biographer says that "he was not very deeply impressed by the responsibilities and opportunities of a minister's life." He was conscientious and effective, but lacked unction and seems never to have been seriously troubled by those doubts which lend interest to the reflections of a really thoughtful man. Preaching was merely the *métier* into which he drifted. And so it was with literature. He wrote much, and two of his stories at least are classical in their way. But he wrote too easily and grew into authorship with no hindrance and no intensity of purpose. Again there is an illuminating statement from the biographer:

> Perhaps he [Edward Everett, Dr. Hale's uncle] was never called on to make a real effort that demanded his whole power. Somewhat like him in a smaller way and in a narrower circle, was my father. It can rarely have caused him real effort to do whatever was done in letters by those around him and to do it better than most.

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PERHAPS the most entertaining part of Dr. Hale's life is that which tells of his years at Harvard. Those were strenuous days. Once a bomb placed by a student in front of the chapel pulpit exploded with such violence as to break all the windows and damage seriously the plaster and woodwork of the building. Dr. Hale thought he got little from his college, and, indeed, was critical all his life of "institutional processes of education"; but that is the way of students. It should appear that his mental training was sound and well directed. The most important feature of the biography is the account of Dr. Hale's diversion of the church to a social institution. In this work he was a pioneer, and his influence is still widely felt. "The church," his son says, "was a social power; whatever character it had in ministering to individual souls was absorbed and included in that larger office, the power of society." In that sentence we lay our finger on what was strongest and what was weakest in Dr. Hale's imagination, and see wherein and why his biography is interesting and fails to interest. We miss the appeal of soul speaking to soul; for this there is partial compensation in the story of social work, but unfortunately most of the book necessarily deals with matters pertaining to the individual.

FRANCIS BOND, most industrious and indefatigable of English ecclesiologists and writers on English ecclesiastical art, has added to the long list of his works a new volume on "The Chancel of English Churches" (Oxford University Press). This volume of 258 pages of text on heavy plate paper, with 229 illustrations, for the most part excellent half-tones from photographs, treats in detail of the altar, reredos, communion table, credence, sedilia, and other parts and appurtenances of the chancel. Some of the topics discussed—such as the Lenten veil, houseling cloth, Easter sepulchre, and squint—are unfamiliar to many American readers. The discussions of the altar, reredos, and communion table are particularly full and interesting. The entire volume is characterized by an almost bewildering amount of archæological detail, so minute and abundant, indeed, as to destroy in large measure the literary interest and perspective of the historical narrative. Like some of the other volumes by Mr. Bond, it is a repository of minute and curious but authoritative information on the subjects it covers; a book of reference rather than one to be read consecutively, in spite of occasional passages free from this burden of catalogue-like detail. As in Mr. Bond's "Introduction to English Church Architecture," moreover, it is the parish churches rather than the cathedrals and abbeys that form the subject of study, although references to examples in cathedrals are not wholly wanting. The book should prove of especial value to those who are concerned with the building and furnishing of churches of the Anglican or Protestant Episcopal order.

CALHOUN'S "Social History of the American Family, from Colonial Times to the Present," Vol. I: Colonial Period (Cleveland: A. H. Clark Co.), which is to be extended to three volumes, is "an attempt to develop an understanding of the forces that have been operative in the evolution of family institutions in the United States. They set forth the nature of the influences that have shaped marriage, controlled fecundity, determined the respective status of father, mother, child, attached relative, and servant, influenced sexual mo-

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rality, and governed the function of the family as an educational, economic, moral, and spiritual institution, as also its relation to state, industry, society in general in the matter of social control. The work is primarily a contribution to genetic sociology." This programme deserves full quotation because it is an ambitious one, and because the first volume now under review must be judged in the light of the whole enterprise. Mr. Calhoun has covered a great deal of material in arriving at his generalizations and his collection of instances. The standard secondary sources, such as Bruce and Weeden, have been thoroughly explored, as have also a number of collections of Colonial laws and other documents of a primary order. In general, while recourse to the first sources is not so much in evidence as in the case of an orthodox historical investigation, the scope of the references and bibliography inspires confidence. So far as the reviewer is informed, there is no other single volume that contains so much well-authenticated information concerning the family of the Colonial period and allied pertinent topics. The author is no antiquarian, and his selection is, in general, one of essentials and not of isolated and unrelated items of merely curious interest. What he has written will be of considerable value to the student of the evolution of marriage and the family. He has, indeed, succeeded in performing a service for the sociologist of the genetic type. And the book, being clearly and interestingly written, ought also to meet the needs of the mentally curious general reader. In brief, this volume amounts to a promising start.

ENTHUSIASTS for food conservation not less than amateurs of ethnology will welcome the appearance of the fifth in the series of "Little Histories of North American Indians," published by the William Henry Miner Company, of St. Louis, under the title, "Corn among the Indians of the Upper Missouri" ($1.50 net). Its authors, George E. Will and George F. Hyde, have obviously put years of painstaking work into the collection of the data which they have united and digested to make this readable monograph. They not only tell briefly the story of the migrations and social vicissitudes of the Upper Missouri Indians, the order and character of their early essays in corn culture, the harvesting of their crops and the trading with non-agricultural Indians and white pioneers which followed, and the religious myths and ceremonies in which, among the several groups of Indians, corn figures conspicuously, but also describe with more or less detail the cooking or preserving processes to which the garnered corn was subjected, often mixed with beans, squashes, and sundry wild fruits, to furnish a food supply in the absence of meat. Housewives who do not find, under the prevailing war-time restrictions, a wide enough variety of table fare to be made from the familiar comestibles in our markets, may discover much that is at least suggestive in the dozen pages devoted to the methods of the aboriginal corn cuisine. The theory long entertained by prominent anthropologists that corn was first introduced into what are now the United States from Mexico lends interest to the little space devoted in this volume to certain other than Upper Missouri tribes among whom corn has always been a standard crop, notably the Navajos, Hopis, and Zunis; and a significant spice is infused into a generally sympathetic study of our red brethren by the undisguised abhorrence of the authors for the treacherous character and gratuitous cruelty attributed to the warrior Sioux.

PREMISING that Browning is artist first and thinker afterwards, John Walker Powell, in "The Confessions of a Browning Lover" (Abingdon Press; $1 net), justifies his own faith in him as philosopher and theologian, and his book, which is ardent with enthusiasm, will doubtless help to a better understanding of the poet by many who need such justification to supplement their own reading. We like Mr. Powell better when he writes about the Third Speaker than when he says arbitrarily that Browning's religious convictions rest on "the central importance of the Incarnation in the spiritual history of the race." When he incidentally mentions that the poet was "far from being an exponent of Unitarianism," one might suggest that neither was he an exponent of any other sect as such. If so, the less Browning he! We like Mr. Powell better again when he finds one end of the poet's bridge resting on his conception of the wisdom and loving purpose of God, the other on the freedom and essential divinity of man. An interesting chapter is that which records the writer's gradual growth into appreciation, the steps by which he was led to lay aside the dense armor of his early Philistinism.

National Miniatures

Hannis Taylor

AMONG the severest critics of the President's first note to the warring Powers in Europe was Hannis Taylor, whose standing as an authority on international law entitles his judgment in such a matter to at least the thoughtful consideration of the less learned. His recent quiescence may be due to his realization, as the fruit of his own experience, of the difficulties surrounding a public officer who is anxious to do his full duty in a many-sided emergency. He had a delicate situation to handle while United States Minister to Spain during the Administration of President Cleveland. A large body of Americans were demanding extreme measures on the part of our Government for the liberation of Cuba from the rule of Spain, and the President stood, as it were, with back against the wall, holding off the jingo horde by main strength and scarcely supported at all in Congress. It fell to Taylor to perform a task almost as trying at the Spanish capital, where the populace were downright hostile to everything American, and even the high official class found it hard to keep up the appearance of friendliness towards him and his mission at the same time that they were striving to conciliate the mob. In the interest of peace he accepted invitations which he would much rather have declined, because he felt reasonably sure that he would be subjected to some discourtesy which he must ignore with as good grace as possible, though under other circumstances he would have resented it with vigor. It was the same spirit that moved him to attend a bull-fight and smother every impulse to yield to his disgust. With all his efforts, he did not escape sundry breaches of amicable relations, especially with the French and Austrian Ambassadors and the Papal Nuncio, who were of course strong partisans of Spain and Spanish dominion in the western hemisphere.

Yet he did contrive, underneath the troubled surface of things, to accomplish something which, had its first prom-

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ise ripened into fruitage, might have saved the United States a war and Spain the most valuable of her colonies. It had long been his belief that the leading Spanish statesmen realized the mistake of holding Cuba under so tyrannous a bond as then existed; and by a clever diplomatic move he succeeded in drawing a private admission to that effect from Castelar, who was anxious to meet the Cuban demand for liberty half-way by conferring upon the island an autonomy similar to that enjoyed by Canada and Australia. When he turned over his office to General Woodford, he returned to Washington still full of hope that a break between the United States and Spain might be averted, or at least postponed till both nations had had a chance to work out a reasonable settlement for the Cuban upheaval and give it a trial. He was not at all satisfied, however, with the mood in which he found President McKinley, and went back in disappointment to his old home in Mobile and his professional practice.

This illuminating experience was followed, a few years later, by another, tending likewise to show that the best of human motives and conduct cannot escape unjust, or only half-just, criticism. His scholarly work as an historian of the law had won recognition in all parts of the world; the Universities of Dublin and of Edinburgh had clothed him with the dignities of an LL.D., the Institute of France had sent him a special tribute for his "Science of Jurisprudence," and the most eminent German authorities in the same field with himself had publicly commended it in generous terms; when suddenly, out of clear sky, came a publication from the pen of Dr. Henry Goudy, regius professor of civil law at Oxford, assailing him as a plagiarist, and citing passage after passage as proof that he had borrowed ideas and expressions freely, and without credit, from various prior writers on Roman law, including James Bryce. Taylor retorted with the statement that he had, as a matter of fact, made abundant acknowledgment in the book of his indebtedness to the several authors whose championship Dr. Goudy had espoused, without encumbering the body of his work with needless quotation marks and marginal references; and furthermore that he had received from some of these, and from others who were in a position to judge whether or not he had dealt fairly with them, commendations of a highly flattering character. Possibly the President may have an equally comforting sense that he has acted with the best intentions in the interest of peace even though he may not have disarmed all criticism from persons who have not the misfortune to occupy his trying place.

There is nothing in the least censorious in the appearance of Taylor, who is a smallish, solidly built man with a round, expansive face, and eyes with crinkles at the corners that betray his sense of humor. He is an enthusiastic student of the classics, and nothing delights him more than to stumble, while rummaging in some dusty, musty recess of ancient history, upon a story with a pungent human savor—something which links the antique with the modern man by proving afresh that there is nothing really new under the sun. You can always guess when he has dug up a good thing of this sort, from the extra broad smile with which he links his arm in yours to walk along and tell you about it. Doubtless he has by this time found a precedent several centuries old for President Wilson's course, which convinces him that its badness was not unique in history.

TATTLER

Drama

Experimental Theatres

MR. SHELDON CHENEY* differs from most contemporary writers on kindred subjects because of the infusion of common-sense that tempers his enthusiastic appreciation of the aims and accomplishments of the various independent theatres. Of the evils of the commercial system that has made the professional stage a hissing and a reproach the author has a keen and comprehensive vision. Nothing could be better than his summary of existing conditions, their causes and effects. All this, however, is an ancient story. But he shows that he has studied it aright when he says that unless the little theatres are, to a certain extent, "professionalized," "organized efficiently for art production," we shall simply have "an amateur institution revelling in anarchy and bankruptcy." This is a bold and true utterance which goes to the very heart of the whole problem of substantial and progressive theatrical reform, which, as he adds, "depends upon the development of fixed local playhouses, with resident companies, dedicated to repertory production of the best that dramatic art has to offer."

It is refreshing to find a zealous admirer and advocate of the experimental theatres candid enough to admit that the whole realistic movement, dating from the later eighties, in Paris, London, and Berlin, has been vastly overrated in the current estimation of its positive contribution to dramatic art, and that it "missed something of the spiritual, imaginative, and eternal." He might have added, with equal truth, that it failed utterly to provoke that great popular response without which the theatre, as a public institution, artistic or not, must be comparatively valueless, if not absolutely pernicious. But he does not exaggerate the service it rendered in breaking away from old ruts and fossilized or perverted traditions, in widening theatrical scope, and opening up a road for freer progress. At the same time, in its reforming iconoclasm it helped to destroy much that was valuable and not easily recoverable. It shattered many of the foundations which must be restored before the structure of the new ideal artistic theatre can be reared. And it must never be forgotten that the artistic theatre, if it is to be something more than a hothouse rarity, must carry its appeal to the many as well as to the select few. This is too often overlooked by such artistic specialists and idealists as Gordon Craig and his disciples, who are engaged upon the hopeless task of building from the top down instead of from the bottom up. Actors are the first essential in a theatre. Without them all talk of "synthetized" and "spiritualized dramatic unity" is so much empty jargon. Except in very

*_The Art Theatre_ (New York: Alfred A. Knopf; $1.50 net).

Amusements

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special instances—such as plays of an allegorical, mystical, musical, or purely poetic type—the quest after "spiritually significant" scenery is equally nonsensical and futile. The great drama of life, which it is the chief business of the theatre to unfold, goes on without much reference to its immediate surroundings. The most generally satisfactory achievements of the much-lauded Art Theatre of Moscow seem to have been those in which perfervid imagination was curbed by some recognition of actualities.

In Mr. Cheney's essay on the ideals of the Art Theatre, there is a confusing admixture of the practical and the visionary, nor is it always clear whether he is speaking of poetic or prose drama. On this point it is vital to be explicit. The arbitrary artistic symbolism, appropriate and often beneficial in the one case, is apt to be wholly anomalous and mischievous in the other. Fancy "spiritualized scenery" for "The Merry Wives" or "As You Like It"! Certain it is that the "synthetic ideal," which Mr. Cheney declares the primary aim of the artistic production—if it means, as he seems to imply, that the form and spirit of the play, and its interpretation by the actors, should be constantly subordinate to the will of the decorative director, with a view to spiritualistic scenic ensemble—would be absolutely fatal in the vast majority of cases to the best interests of the theatre. The suggestion smacks of Craig's purely panoramic notion of substituting puppets for actors. After all, the "synthetic production" is only a modern phrase, embodying a very old idea. It only signifies that harmony between play and environment that constitutes the living picture which has been the aim of the best managers and actors from time immemorial. Irving very nearly attained to it in his first famous production of "The Merchant of Venice." The true question is one of proportion. What is the element that is most potent in the creation of the desired illusion? There is but one answer, so far as straight drama of any kind is concerned—the acting. When this has been provided, and not before, then comes the consideration how it may be most artistically and effectively supported and supplemented. Whatever dominates it or distracts attention from it is bad and inartistic. The artistic background is one that is credible, natural, and appropriate.

Mr. Cheney's sketch of the ideal Art Director is somewhat utopian, and it is possible to doubt whether autocracy, such as he describes, would be as necessarily beneficial as he supposes. The stage managers of a bygone era, mostly old actors versed in all technical stage business, were capable, under intelligent direction, of giving full effect to the most delicate or elaborate spectacular designs. A few men of this type still survive. It would not be difficult to train others, once groups of real stock companies were in operation. The good new plays will come when there is a demand for such material in the theatres. Meanwhile there are old ones, of proved quality, whose revival might yield richer results than do some of the injudicious experiments in which Little Theatres are apt to indulge. Mr. Cheney, with all his optimism, sees plainly the danger of disaster for them arising from their lack of systematic management, definite aim, and wise coördination. As independent, disorganized, and often rashly tentative institutions, they cannot be greatly or permanently influential for good. They must, somehow, be brought into contact and opposition with the professional theatre before they can act as a stimulus upon it and start that regeneration of the whole dramatic fabric which is the professed object. J. R. T.

Finance

The Third War Loan

IN several respects the Treasury's announcement regarding the amount and terms of the next United States war loan appears to have caused surprise. The amount, $3,000,000,000, is much smaller than the people had been led to anticipate. The interest rate of 4¼ per cent. is lower than lately prevalent expectations, which had commonly looked for a 4½ per cent. rate. The stipulation that, while the 3½ and 4 per cents now outstanding may be converted, dollar for dollar, into the new 4¼ per cent. issue, the 4¼s will themselves not be convertible into future higher-rate loans is an innovation.

Nevertheless, the recent trend of discussion over the terms of the new loan should have served to prepare the public mind for all these rearrangements. It is true that the Treasury's annual report of last December formally estimated, on the basis of its calculations for total revenue and expenditure during the fiscal year, that $9,969,433,000 would have to be raised, before June 30, through war savings certificates and new war loans. Proceeds of the war savings issues being then calculated at $663,200,000, it followed that war loans of some $9,300,000,000 were at that time contemplated.

This estimate has, however, long since been discarded. Based as it was on expected total disbursements for the fiscal year of $18,775,919,000 (including loans to the Allies), the returns of actual expenditure soon proved it to be vastly beyond the possibilities. The latest report of Government disbursements for the fiscal year to date—comprising nearly nine months out of the twelve—accounted for only $7,954,000,000. It was manifestly impossible, in the remaining space of little more than three months, to come anywhere near December's total estimate of $18,775,000,000. Even with very liberal allowance for an increasing monthly rate of expenditure (and the rate has not been increasing during the past few months), it was difficult to see how the full fiscal year could account for more than $12,000,000,000.

Nor was this all; for the conviction has been growing rapidly, based on the actual returns of large corporations, that the estimate of some $2,200,000,000 for the yield of income and profit taxes would turn out very much too small. The Treasury now makes full allowance for the early mistaken estimates. The December calculation of nine or ten billions, which would be left for new borrowing to provide for in the fiscal year, is apparently cut down to the $3,000,000,000 to be raised through the new war loan.

The fixing of a 4¼ per cent. rate, rather than 4½, is partly no doubt a consequence of this lowering of the amount to be borrowed. It is also, however, a compromise between the Treasury's ideas and those of the investment market. The Secretary of the Treasury went so far, in a recent public speech, as to intimate that, rather than concede a rate of 4½ per cent., the Government would advocate new taxes. Clearly enough, the decision on the lower rate is right, provided it will accomplish the same results; for the difference in yearly interest charge at 4¼ or 4½ per cent., assuming conversion of all outstanding war bonds into the now loan, would be $18,250,000. Furthermore, it is not to be overlooked that the lower rate on the war loan would necessarily be the less

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disturbing, both to the market for other existing securities and to the savings banks.

The question which will arise in many minds is what will be the effect of the announcement that the new 4¼ per cents will not, like previous war loans, be convertible into future war loan issues at any higher rate. The same experiment was tried last year by the British Government, whose 5 per cent. war loan of February, 1917, was made non-convertible into future issues, although outstanding 4½ per cent. war bonds were convertible into it. The immense success of the operation—$4,830,000,000 in new money was subscribed for the 5 per cents—seemed to prove that in that case the "non-convertibility clause" was no handicap. The provision for a 5 per cent. sinking fund against our own new war loan, out of which the bonds may be purchased by the Government when their price on the market falls to any considerable discount, is intended to modify or prevent any ill effect which might be produced on the price through withdrawal of the convertibility privilege.

That the new loan will be taken, and that the result will once more be a handsome oversubscription, there is absolutely no reason to doubt. Our $2,000,000,000 war loan of last June elicited subscriptions of $3,035,226,850; for the $3,000,000,000 war loan of November, $4,617,532,300 was subscribed. The Government now fixes its minimum sum no higher than last autumn's; the interest rate is higher, and the machinery for the loan campaign is more efficient and extensive even than that of four months ago.

In particular, the accumulation of capital in parts of the West and South which were hardly touched in the previous campaign will this time be made the objective of thorough and systematic canvass. None the less, it will be the duty of every thrifty citizen, East as well as South or West, to contribute his full share. The oversubscription of April, 1918, ought far to surpass that of last November.

ALEXANDER D. NOYES

BOOKS OF THE WEEK

FICTION

Chase, D. Flood Tide. Macmillan. $1.50.
Gilbreath, O. Miss Amerikanka. Harper. $1.40 net.
Ingersoll, W. E. The Road that Led Home. Harper. $1.35 net.
Johnston, W. The House of Whispers. Little, Brown. $1.40 net.
Kellard, C. B. The Source. Harper. $1.40 net.
Oppenheim, E. P. The Pawns Count. Little, Brown. $1.50 net.
Porter, E. H. Oh, Money! Money! Houghton Mifflin. $1.50 net.
Train, A. The Earthquake. Scribner. $1.50 net.

MISCELLANEOUS

Andrews, L. C. Leadership and Military Training. Lippincott. $1 net.
Bergholt, E. The Art and Practice of Royal Auction Bridge. Dutton. $1.25 net.
Bergholt, E. The Laws and Principles of Royal Auction Bridge. Dutton. $1 net.
Burritt, A. W., and others. Profit-Sharing. Harper. $2.50 net.
Einstein, L. Inside Constantinople. Dutton. $1.50 net.
Farnol, J. Great Britain at War. Little, Brown. $1.25 net.
Ford, J. H. Details of Military Medical Administration. Philadelphia: Blakiston.
Freytag-Loringhoven, von. Deductions from the World War. Putnam. $1.25 net.
Goodspeed, E. J. Greek Gospel Texts in America. University of Chicago Press. $1.50.
Griggs, E. H. The Soul of Democracy. Macmillan. $1.25.
Kastor, E. H. Advertising. Chicago: La Salle Extension University.
Reports of American Bar Association. Vol. XLII, 1917. Lord Baltimore Press.
Robinson, R. Twentieth Century Athenians. Badger. $1.50 net.
Sadler, W. S. Long Heads and Round Heads. McClurg. $1 net.
Schreiner, G. A. The Iron Ration. Harper. $2 net.
Smith, G. S. Over There and Back. Dutton. $1.50 net.
Vaka, D. In the Heart of German Intrigue. Houghton Mifflin. $2 net.
Weaver, D. W., and Weaver, E. W. Medicine as a Profession. A. S. Barnes.
Wendell, B. The France of To-day. Popular Edition. Scribner. $1 net.

RELIGION AND PHILOSOPHY

Bissell, S. Unofficial Christianity. Badger. $1 net.
Haeckel, Weismann, etc. Evolution in Modern Thought. Boni & Liveright. 60 cents net.
Linn, P. H. How God Made the Master Singer. Badger. 75 cents net.
Walker, W. A History of the Christian Church. Scribner. $3 net.

GOVERNMENT AND ECONOMICS

Brown, Mrs. R. Your Vote and How to Use It. 75 cents net.
Dawson, W. H. Problems of the Peace. Scribner.
Gulick, S. L. American Democracy and Asiatic Citizenship. Scribner. $1.75 net.
Jack, J. C. The Economic Life of a Bengal District. Oxford University Press.
Sunderland, J. T. Rising Japan. Putnam. $1.25.
Thomas, W. I., and Znaniecki, F. The Polish Peasant in Europe and America. Two volumes. University of Chicago Press. $5.50 net.

BIOGRAPHY AND HISTORY

Adams, G. B. An Outline Sketch of English Constitutional History. Yale University Press. $1.75 net.
de Retz, Cardinal. Memoirs. Two volumes. Everyman's. Dutton. 60 cents each.
Pennypacker, S. A. The Autobiography of a Pennsylvanian. Philadelphia: Winston Co. $3 net.
Smith, V. A. Akbar, the Great Mogul. Oxford University Press.
Vogel-Jörgensen, T. Rasputin. Translated by W. F. Harvey. T. Fisher Unwin.

POETRY

Horne, C. M. Songs of the Shrapnel Shell. Harper. $1.25 net.
Manning, F. Eidola. Dutton. $1.25 net.
Masters, E. L. Toward the Gulf. Macmillan. $1.50.
Middleton, J. E. Sea Dogs and Men at Arms. Putnam. $1.50 net.
Squire, J. C. Tricks of the Trade. Putnam. $1.25.

SCIENCE

Annals of Harvard College Observatory, Cambridge, Mass. Vol. 80, 10-13; Vol. 84, 3.
Perry, H. Theories of Energy. Putnam. $1.75 net.
Ward, R. de C. Climate. Putnam. Second edition.

ART

Kimball, F., and Edgell, G. H. A History of Architecture. Harper. $3.50 net.
Laurvik, J. N. Catalogue of Mrs. Phœbe A. Hearst's Loan Collection. San Francisco Art Association. $1.

TEXTBOOKS

Carlyle, T. Past and Present. Modern Students' Library. Scribner. 75 cents net.
Espinosa, A. M., and Allen, C. G. Elementary Spanish Grammar. American Book Co.
Lewis, W. D., and Hosic, J. F. Practical English for High Schools. American Book Co.
Martin, C. F., and Russell, G. M. At West Point. Heath. $1.40.
Opdycke, J. B., and Drew, C. A. Commercial Letters. Holt.

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Summary of the News

THE long threatened German offensive on the western front began on Thursday, March 21, and at the time of writing the greatest battle in the history of the world, from the extent of its front, the numbers engaged, and the results to be achieved, is raging fiercely. Beginning with a drive on a fifty-mile front from the River Oise to the Sensée, between Arras and La Fère, the Germans launched mass assaults in the Cambrai sector. The first report of German Headquarters announced the capture of the British first line from southeast of Arras as far as La Fère, and claimed 16,000 prisoners and 200 guns. As the battle proceeded the British under Gen. Haig retreated to the Somme, and on March 23 Gen. Haig reported that his defensive positions had been pierced west of St. Quentin. The maximum advance of the Germans has been made west of St. Quentin to a depth of about fifteen miles, while on most of the line they have advanced two miles or more. Péronne, Ham, and Chauny fell on March 24; Bapaume, Nesle, and Guiscard on March 25. The Somme River and its tributary, the Tortille, have been crossed in many places, according to Berlin reports. The latest German reports claim 45,000 prisoners, 600 guns, and vast stores of booty. At present the British are still yielding, but the Allied line is intact, and the retirement is being conducted in good order. French troops have taken over a sector of the battlefront and are fighting at Noyon. Premier Lloyd George has telegraphed Gen. Haig that men and material to replace all that have been lost are on their way to France.

THE numbers engaged in the great battle of Picardy can only be judged approximately. According to British estimates, ninety-seven divisions of Germans and Austrians—about 1,164,000 men—have been employed, while the third, fourth, and fifth British armies seem to be involved in the struggle. The losses on both sides have been extraordinarily heavy, and slaughter on such a vast scale has never been recorded before. British artillery and machine guns fired into dense masses of infantry that advanced with the utmost determination, regardless of losses; and aviators from their airplanes dropped bombs and fired machine guns on massed troops. The Canadians on March 22 directed the greatest gas bombardment in the history of the war against the Germans between Lens and Hill 70, north of the main offensive.

GERMANY'S final objective in the western offensive, according to some English military critics, is the Channel ports, with Amiens as an earlier objective. The first necessary step is to break through the Allies' line near the junction of the French and British armies. A German victory south of St. Quentin, where the French north of the Aisne would be imperilled, might be strategically decisive. The Kaiser himself is nominally directing the great western offensive, with Gens. von Hindenburg and von Ludendorff, while the German Crown Prince and Crown Prince Rupprecht of Bavaria are carrying out the plan of battle.

THE great German gun shelling Paris from a distance of seventy-six miles, while of minor importance compared with the gigantic battle proceeding on the British front, has excited extraordinary interest as the only startling surprise of the present attack. The gun bombarded Paris with ten-inch shells on March 23, 24, and 25, first at intervals of twenty minutes, later at intervals of only fifteen and even twelve minutes. This monster cannon, now located by aviators in the Forest of St. Gobain, west of Laon, is considered an amazing mechanical feat, but as a military factor it has not proved remarkably efficacious.

AMERICAN interest in the war on the western front before the great battle began centred in the visit of Secretary of War Baker to France and in the part played by our troops in the French sector. Mr. Baker inspected airplane schools, docks, and transportation centres, as well as the trenches, and came under shell-fire himself at one point. Our troops continued their work with success in trench fighting and raiding in the early part of the week. The Berlin statement of March 24 asserts that, in addition to the third and fourth British armies, "portions of Franco-American reserves who had been brought up were beaten, and on the line of Bapaume-Bouchavesnes and behind the Somme between Péronne and Ham, as well as at Chauny, were repulsed with the heaviest of losses."

AIR raids have been numerous during the past week. British aviators have bombed the railway station at Cologne, while Mannheim, Metz, and Courcelles have also been bombarded. On the American sector of the French line near Toul, German aviators are constantly crossing over the American lines, only to be driven off by the rapid fire of American anti-aircraft guns.

RUSSIA'S situation has not improved materially during the past week. The German armies in the east are advancing towards Petrograd, and the fall of the capital is only a matter of hours. Anarchy and guerrilla warfare continue, and disorder is reported in many towns, as many as 500 members of the middle class being massacred by the radicals in one night. Trotzky, who is now with the Government at Moscow, has declared that he will resume his post as Minister of War if the Bolsheviki will renew the war against Germany. According to later reports, German armies are marching upon Moscow from three directions, without any resistance by the Bolshevist Government.

THE British Admiralty has decided to give up its policy of secrecy as to the tonnage losses, and Sir Eric Geddes announces that 6,000,000 tons of shipping were sunk during the past year. Chairman Hurley, of the United States Shipping Board, has announced that the total loss for the world was 11,827,572 tons, while the loss for 1917 was 6,723,623 tons. Since the war began, 6,606,275 tons have been produced, of which 2,703,355 tons was the output for 1917. The U-boat losses for the week ending March 20 were seventeen merchantmen, of which eleven were of 1,600 tons or over and six under that tonnage. Two fishing vessels also were lost. In the same week France lost four small vessels; Italy, two large and one small; Norway, two; Sweden, two; and Denmark, one. The Germans lost four war vessels off Dunkirk.

SEIZURE of the neutral Dutch ships by the United States and the Allies on March 21, against the protests of the Dutch Government, has excited great hostility in Holland. The Dutch Foreign Minister, Dr. Loudon, and members of the two Chambers of the Dutch Parliament at The Hague have attacked President Wilson, former Minister Van Dyke, and the associated Governments for exercising the right of might "under the pretext of war necessity," and the Dutch populace have made demonstrations before the United States Embassy. The Dutch Cabinet is reported to have decided to send the Allied Powers a refusal of their offer of grain in return for Dutch ships.

JAPAN has temporarily abandoned her contemplated occupation of Siberia, but continues to regard the situation there as extremely grave. Count Terauchi, the Premier, informed the Japanese House of Peers that the Government did not at present consider Siberia menaced by the presence of large numbers of prisoners of war, as was previously rumored.

NEWS of the week of special interest to the United States centres around the political, labor, food, and preparedness situations. In Wisconsin, in the Senatorial primaries, on the Republican ticket, Mr. Irvine L. Lenroot won by a narrow margin over Senator La Follette's candidate, Mr. James Thompson. Mr. Joseph E. Davies is the Democratic candidate, and the approaching contest will be fought with the keenest rivalry. In the matter of labor, President Wilson has asked boys to enlist for farm work, while the Departments of Labor and of Agriculture are making every effort to remove the labor shortage that may endanger the spring crops and later harvest.

THE food situation continues critical. Food Administrator Hoover has announced that the consumption of wheat in this country must be cut in half, if the American forces abroad and the Allies are to be adequately supplied. Voluntary rationing measures suggest that the allowance of wheat be limited to one and one-half pounds per person per week. Mondays and Wednesdays are to be wheatless days in public eating places, and no wheat products are to be served in such places except when specially ordered. Agitation in Congress for $2.50 wheat, instead of the present $2.20, is blamed for causing the hoarding of wheat by some producers and the consequent conditions of shortage existing at present. Meat exports have nearly doubled.

OUR war preparations, according to the latest reports, are still falling short, and the American airplane programme is behind its schedule. President Wilson summoned an "informal" war council to a conference on war matters, consisting of Mr. McAdoo, Director of Transportation; Mr. Hurley, Chairman of the Shipping Board; Mr. Hoover, Food Administrator; Dr. Garfield, Fuel Administrator; Mr. McCormick, Chairman of the War Trade Board; and Mr. Baruch, Chairman of the War Industries Board. The Overman bill, extending the President's war powers, has been favorably passed, with only slight changes, by the Senate Judiciary Committee, the first step necessary to its passage.

PROF. SCOTT NEARING has been indicted on a charge of sedition under the Espionage Act, for writing and distributing through the mails articles attacking the war activities of the United States.

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The Metric System

By GEORGE FREDERICK KUNZ
President American Metric Association

MOST of us are ready to admit that the use of a universal language would do much to remove the national antipathies leading to an armed conflict of nations, and that the universalizing of a simple standard of any kind brings the nations nearer together and helps on a better mutual understanding. When the same signs and symbols express to all the same weights and measurements, this will mean a distinct advance along the road leading to international peace and good feeling. Our adhesion to the metric standard should be encouraged when we consider that as early as May 20, 1790, Thomas Jefferson, as Secretary of State, formulated a decimal system of weights and measures, and embodied the scheme in a report. Therefore, in adopting the metric system, we should only be realizing one of the brilliant ideas of the most original thinker among the founders of our republic.

The preponderant influence that is gradually being acquired by the United States in the world's financial transactions, although immediately due to the great war, will unquestionably survive the conclusion of peace. In view of this no time would seem better fitted than the present for the initiation of a movement to establish a new world coinage, having the decimally divided dollar for its base unit, and bringing it into as close accord as possible with the various national denominations now in use. In North America this has already been accomplished, and in South America the task would not be difficult.

To bring the chief European monetary systems into accord with our standard will prove a much more difficult task, but a basis for the accord will be supplied by the close equivalent of five francs (96.5 cents) to the dollar.

For the effective development of our foreign trade, it is most urgent that all catalogues and publications for foreign circulation issued by our manufacturers should have all dimensions expressed in metric as well as in English weights and measures. This can be done by placing the metric equivalents in parentheses. One notable result of the great demand for war material in this country from the European nations has been the enforced introduction of metric measurements in a large number of factories devoted to such manufacture. This refers not only to field guns, shells, etc., but also to locomotives, rails, parts of bridges, many tools and pieces of machinery, etc. The increased demand for our goods from South America, and the movement among our manufacturers to take advantage of the check to European exports to that part of the world, in order to introduce our productions there more widely and more consistently, works in the same direction. For our manufacturers are slowly learning the important lesson that if we wish to increase our trade in foreign lands, we must endeavor to conform to the standards and usages current therein. When the war is over, great opportunities will present themselves; but we must prepare now with a universal language of weights and measures.

Among those engaged in internal trade many concerns, especially the wholesale grocers and the grocery products manufacturers, are becoming deeply interested; and a single firm printed 12,000,000 labels—and a breakfast food concern more than that number—giving the weight in pounds, ounces, and the metric equivalents. It is by bringing the knowledge to the people generally, to the cook or the mother in the kitchen, to the children who see the package, and to the father who hears about it, that the education in this system will come to our country; and it could not come in such a way to any other land. It is not wise to disturb any industry, but even those industries most vitally affected by such a change will find that if they make all their new machinery on metric lines, it will not be many years before they will be making all their machines according to metric equivalents. And as the cost of production is the same or less, the increase in trade resulting from the world-wide use of their products will more than repay any inconvenience caused.

A number of American manufacturers, grocers, dealers in food products, and allied trades, many of whom have been ambitious for international trade, have begun to realize that all that is needed to make their wares available to thirty-four nations—other than the United States, Great Britain, and her colonies—is to add a single line of metric denominations below those stated according to English standards. At an expense so trifling they make their wares understood to the foreign buyer, and this frequently leads to extensive sales that would not have been effected if the English weight or measurement alone had been stated.

A not unimportant step in furtherance of the adoption of the metric system has recently been taken in the gem-dealers' industry, and although this particular application may appear to many, at first sight, as being of comparatively slight consequence, its educational effect will be more far-reaching than is generally supposed. This concerns the adoption, in precious stone commerce, of an international metric carat of 200 milligrams, to take the place of the various and discrepant national carat weights that have for so long been sources of serious annoyance, inconvenience, and loss of time for gem-dealers.

When we reflect that there are some 36,000 jewellers in the United States, and that because of the popularity of their wares they come into constant contact with a large section of our population, we can realize the good work they will necessarily perform in demonstrating to their customers the usefulness of the metric system in this particular case, and thus in arousing public attention to its signal merits.

How difficult it sometimes is to make practice conform to theory has long been and still is shown by the continued opposition, active or passive, to the general introduction of the metric system into the United States and England. There can indeed be little doubt that so progressive a land as our own would long since have cast off the trammels of the old scale of weights and measures, were it not for the fact that Great Britain, with which our commercial relations are so closely knit, still clings persistently to the so-called English weights and measures. On the other hand, could we pluck up the courage to take the first step, England would almost certainly follow our lead after no long interval.

The necessary adjustment of present to future conditions could be provided for by legislation authorizing an optional use of either one of the two systems of weights and measures for a certain term of years, or else by temporarily exempting certain classes of machinery manufacture from the obligation to use the new system for a few years, so

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that the change could be made with a minimum amount of loss or trouble. Indeed, in view of the widespread gain in time and money incident to the general use of the metric system the Government might justly see fit to bear a carefully computed share of the actual cost entailed upon manufacturers in making the necessary changes, for this light charge upon the taxpayers would only represent an exceedingly small share of the gain they would realize by the innovation.

The opposition to the employment of metric standards is chiefly centred in the mechanical trades, where the tendency exists to avoid the necessary outlay, small in comparison with the good results that would be obtained. An increasingly large body of exporters, however, have become converts to the metric system, moved thereto primarily by our immense foreign trade. The maintenance of the old and inconvenient standards, which are not the result of any logical development, but which have simply "growed," like the immortal Topsy, constitutes not only a present loss to ourselves, a loss in time wasted by tedious computations and a loss of the quicker grasp and keener insight bred of dealing with exact and constant quantities, but keeps up a barrier between us and the over 400,000,000 people of other countries who have been trained to think in terms of the metric system from their childhood.

Our own system of weights and measures means that we are intelligible to about 200 million of the world's inhabitants. By the use of the metric system, we should be intelligible to more than 400 million more. Therefore, if the metric weight were added to the statement of English weight, or measurement, it would mean that we should be using an almost universal language that would be simple, exact, and understood by 600,000,000 people.

The great saving in time and money that would accrue from a change has been worked out by Dr. J. V. Collins, of Wisconsin, who believes that one effect of clinging to the old system is to keep children in school two-thirds of a year longer than would be necessary if the logical metric system were in their education. He figures that the school taxes to cover this unnecessary expense amount to $50,000,000, to which should be added $100,000,000 for the cost incurred by parents for the children's support during this time and $75,000,000 for the loss of earnings. And it must be borne in mind that the net result is the acquisition of a bad and cumbrous system, destined to be superseded, instead of a simple, logical, and exact one destined to be the one in universal use.

Long before the added arguments supplied by the needs of the great war had made themselves felt, the Rt. Hon. Arthur J. Balfour, replying in 1895 to a deputation advocating the introduction of the metric system in England, used the following words:

"Upon the merits of the case I think there can be no doubt whatever that the judgment of the whole civilized world, not excluding countries which still adhere to the antiquated systems under which we suffer, has long decided that the metric system is the only rational system."

Lord Kelvin was a very strong advocate, and our own Alexander Graham Bell is one of the most earnest advocates of the adoption of the metric system.

That the powerful agencies now operating in favor of the new system through the intensification of the international spirit are already exerting a strong influence upon English conservatism in this matter was noted by Dr. Henry M. Ami, of the British Embassy at Washington, who stated at the annual meeting of the American Metric Association held in Pittsburgh, December 28 and 29, 1917, that the questionnaire widely circulated by "The Chartered Institute of Secretaries of Great Britain" showed that 86 per cent. of the replies favored the general use of the metric system, and that 53 per cent. of the firms were already using metric weights and measures at least to some extent in their business.

It has been remarked by Mr. S. W. Stratton, Director of the Bureau of Standards, that no factor has influenced the very rapid rate of progress in electrical science to a greater degree than the system of electrical units based on the metric system and adopted about a generation ago. The results of electrical researches expressed in these units are available to electrical experts the world over without translation of units. This facilitates the interchange of data and tends to make progress at the maximum rate. The fact that electrical engineering has outstripped mechanical engineering in the development of precise theory and the basing of technology on well-established scientific principles can be traced to this use of a standard conforming to the metric system.

The Metric System in Export Trade

By FREDERICK A. HALSEY

Commissioner American Institute of Weights and Measures

I have found in the course of my life that the particular thing that you have to surrender to is the facts.—[President Wilson.

THE subject of weights and measures is of such vast and far-reaching extent, forming as it does the warp and woof of our commercial and industrial life, that I am compelled to restrict myself here to that phase of it indicated by the title of this paper, and to cover even that in a very inadequate manner.

Since the outbreak of the world war, we have heard repeated insistence that we must adopt the metric system if we are to succeed in the cultivation of foreign markets. We are told that when selling to others, "we must deal with them in language they understand." We are told that "our weights and measures are meaningless to them," that "they have forgotten their old units," that, in short, "in export trade we have no choice—we must come to the metric system."

In no case is any proof given of these assertions, and it has seemed to me that the proper and natural preliminary to a decision in so important a matter lay in gathering together the experience of manufacturers who are engaged in export trade. I therefore prepared a questionnaire in which three leading questions were asked relating, respectively, to the extent of use of the metric system in manufacture, in commerce, and in literature and correspondence for and with countries which are commonly called "metric." Over 6,000 of these questionnaires were sent out to exporting manufacturers, from whom 1,445 replies were received. In addition to the leading questions, the questionnaire also asked each recipient to give the length of time during which he had been engaged in export trade. An answer to this question involved a searching of records which many were

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unwilling to make. Of those who did reply, 284 have been engaged in export trade for from ten to twenty years, 225 from twenty to forty years, 48 from forty to sixty years, and 10 from sixty to one hundred years and more—while three have been carrying on export trade for more than a century, and one of them for 135 years, without finding occasion for the adoption of the metric system.

In addition to the categorical replies to the questions asked, many returns included, in footnotes or accompanying letters, remarks regarding the experience of the writers. My full report on this inquiry will include over 200 extracts from such remarks, and of these I give a few below.

The Addressograph Company (addressing machines, in export trade twelve years) say:

Only one request for goods to be marked in the metric system in the past twelve years.

The American Printing Company (textiles) write:

We have equipped some of our cloth folding machines to record metres instead of yards, so that we can meet requirements for lengths in metres, but practically all our goods for export are measured in yards.

The American Stove Company (stoves, in export trade "many" years) state:

As to factory methods of measurement, we have made no change whatever in order to adapt our goods for export. All of our goods are made to English standards of measurement.

F. W. Brode & Co. (cottonseed products, in export trade "many" years) reply that they make no use of the metric system, although their exports the past season were approximately $1,000,000.

The Bristol Patent Leather Company (in export trade twelve years) inform me:

The largest leather producing countries use the square foot as their basis. Therefore, the square foot is a familiar unit even in countries using the metric system.

The Collins Company (edge tools, in export trade seventy years) declare:

Our business is nine-tenths with foreign countries. We have no need whatever to use the metric system in our business.

The Cudahy Packing Company (packing-house products, in export trade thirty years) write:

We do an export business amounting to many million dollars per annum, but have not found it necessary to mark our goods with anything but the usual English weights.

The Cadillac Motor Car Company state:

We have been shipping automobiles abroad for fifteen years and have never had the question of metric measurements raised by any of our customers abroad.

The Brown Folding Machine Company (paper folding machinery, in export trade twenty years) say:

We cannot recall any instance where we have been asked to give anything but United States standard weights and measures.

The Benjamin Eastwood Company (textile machinery) declare:

There is no call for the metric system of weights and measures in building textile machinery for export. We have had many inquiries and cannot remember a single instance where the inquiry has specified that the machinery must be built under the metric system.

Eastman, Gardiner & Company (building lumber, in export trade twelve years) write:

After the meeting of the National Foreign Trade Council last year, during which meeting the matter of the metric system for foreign business was brought up, we took the matter up with our foreign agents in France, Belgium, Germany, Italy, and England, and asked them if there would be any advantage in our adopting the metric system in figuring lumber. They stated that, although the metric system was used in some of the above countries, in lumber the buyers were so accustomed to using the English measure that it would be a great mistake to make any change in our method of figuring.

This letter confirms information already in my possession. Lumber is everywhere sawed to the inch. Metric lumber is not to be found in the markets of the world. If the metric system is so much "better," why has it made no impression on the lumber industry?

Fairbanks, Morse & Company speak as follows:

We have been actively engaged in developing foreign trade for the past fifteen years, and our experience touches practically every country in the world.

The lines of goods that we manufacture and sell abroad are quite varied, embracing internal combustion engines, steam, power, and centrifugal pumps, electrical dynamos and motors, railway supplies and windmills. We are, of course, sending our goods to countries where the metric system is used, but we have not seen any necessity whatever for abandoning the English standard of weights and measures.

Libby, McNeill & Libby (packing-house products, in export trade forty years) state:

About the only business which we have ever done which required special metric packing was occasional French Government business.

The R. P. Hazzard Company (men's shoes, in export trade ten years) say:

We have never had called to our attention any metric system for designating sizes of boots and shoes.

The Independent Pneumatic Tool Company (portable pneumatic tools, in export trade twenty-four years) write that they have never used the metric system nor have been asked to do so.

The Lauderdale Cotton Mills (colored cotton goods, in export trade four years) say they make no use of the metric system, and add that their entire output is being exported.

The Penn Engineering Company (steam and water specialties, in export trade eighteen years) write:

We have never used anything except English measures, nor found any need to change at any time.

William Sellers & Company (machine tools and power transmission machinery, in export trade sixty years) write thus:

Notwithstanding the large volume of foreign inquiry we receive, so little of it calls for adherence to the metric system as to be practically negligible.

The Southern States Lumber Company (long leaf yellow pine lumber, in export trade nineteen years) give this bit of information:

Up to eighteen or twenty years ago our French buyers required their flooring boards to be measured in metrical feet of 13⅛ English inches, but since then English measures have prevailed in that market.

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The Standard Sanitary Manufacturing Company (plumbing fixtures, in export trade twenty years) state:

Our trade is using English dimensions more and more. Requisitions are now seldom written up in the metric system.

The Standard Varnish Works (varnishes, etc., in export trade forty years) say:

We had one instance several years ago where we had to report dimensions of packages in centimetres, but that is all.

The Wheeler-Schebler Carbureter Company write that they have had no occasion to use the metric system in the manufacture of their products.

The Walter A. Wood Mowing and Reaping Machine Company, who reply that they make no use of the metric system, add:

We do a large export trade in Scandinavia, France, Germany, Russia, Austria-Hungary, and Rumania.

This inquiry has disclosed 600 industries, every one of which exports goods to metric countries, and not one of which makes any use of the metric system in the production of its goods. When I say *industries*, I do not mean manufacturers, since many industries are represented by more than one concern, automobiles and automobile trucks, for example, being represented by 22 manufacturers, agricultural implements by 18, agricultural and harvesting machinery by 9, boots and shoes by 21, cutting tools by 14, chemicals by 19, electric generators and motors by 14, food products by 24, ice and refrigerating machinery by 4, lumber by 19, leather by 14, machine tools by 60, pumps by 19, paper by 13, petroleum products by 7, power transmission machinery by 8, paints, oils, and varnishes by 13, printing presses and other printing machinery by 6, rubber goods by 11, steel and iron products by 31, steam boilers by 11, steam engines by 14, oil mill machinery by 5, textiles by 13, textile machinery by 9, wood-working machinery by 8, wagons by 6, and so on.

A few representatives of some of these industries do make use of the metric system in export trade, the extent thereof being indicated by the following extracts from their letters. While we have 22 makers of automobiles and automobile trucks who make no use of the system, the Paige-Detroit Motor Car Company say:

At the present time the demand for metric wheels, rims, and tires is extremely limited. Since the first of the year we have only shipped six cars so equipped. Occasionally we get a request that the spark plug be metric, with which request we comply. This is practically obsolete at the present time, owing to the predominance of American spark plugs, and we have not made shipment of a single car so equipped for over eighteen months.

The Hoover Steel Ball Company write:

We do not have a very large call for the metric sizes, and presume this would not amount to more than 5 per cent. of our entire export orders.

The Anchor Saw Mills Company, who make boat oars, and who have been in export trade sixty years, point out:

It is very rarely that boat oars are ordered by the metric system, as the English foot is used as the unit of length all over the world.

The Modern Tool Company, who have been in export trade fourteen years, say:

According to our records, about 10 per cent. of the tools supplied to metric countries are required in millimetre dimensions.

A. G. Spalding & Brothers (sporting goods), who have been in export trade twenty years, state:

We have one or two pieces of apparatus used in physical measurement which we are requested, although very seldom, to make specially to the metric system.

The Abrasive Company, who make grinding wheels, and who have been in export trade seventeen years, speak thus:

The grinding wheels that we supply to countries using metric measure are according to English and metric measures. It would be difficult to give an approximate idea of the percentage of the two kinds of measurements used, but perhaps we would not be far wrong in specifying 3 per cent. metric and 97 per cent. English.

The Avalon Knitwear Company, who make knit goods, use the metric system only in their dye-house and only to a very limited extent. The reader will not fail to observe the large importance to the customer of the units of measure used in a dye-house.

Baker Brothers, who make keyway cutting tools, and who have been in export trade twenty years, declare:

We furnish some cutting tools in metric widths for keyseats, but the majority are furnished in English measurements even for metric countries.

The Landis Tool Company, who make cylindrical grinding machines, and who have been in export trade for twenty years, say that not over 5 per cent. of their foreign customers require metric measure.

The Dodge Manufacturing Company, who make power-transmission machinery, and who have been in export trade for twenty-five years, advise me:

Probably 99 per cent. of our export production is made on English measurements and weights, that is, inches, feet, and pounds.

The Electric Hose and Rubber Company, who have been in export trade twelve years, write:

We ship goods to metric countries made to both English and millimetre sizes, about 2 per cent. of which are made to millimetres and the balance to English sizes.

The Manhattan Rubber Manufacturing Company, who have been in export trade twenty years, state:

In not more than twenty cases in a year's time goods are ordered from us with the dimensions specified in the metric system.

The Bowen Manufacturing Company, who make shackle bolts and automobile accessories, and who have been in export trade twenty-two years, say:

On one occasion we had to make a lot of spring shackle bolts having a metric thread at one end.

The Joubert & Goslin Machine and Foundry Company, who make sugar machinery, and who have been engaged in export trade for twelve years, write:

The only time that we are called upon to follow metric dimensions is where we furnish some repair part or make some addition to a machine built in Europe.

In view of the above statements of experience, which I can duplicate again and again to the point of weariness, can the reader accept the idea that "in export trade we have no choice—we must come to the metric system"?

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The Nation

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The Economic Present and Future

By ALEXANDER D. NOYES

Financial Editor of "The Evening Post"

THE United States has now been almost exactly a year at war, and no summary of the period could touch the core of the financial situation without taking account, first, of the financial effort of the United States in its new relations to the war, and, second, the course of the economic situation both before and since we engaged in the conflict. There are few Americans who could honestly have foreseen in April, 1917, the United States Government lending nearly $4,000,000,000 on its own account to its allies, the entire American railway system under governmental operation, Congress appropriating money by the thousands of millions to build ships to meet the ravages of the submarine, issues of American war loans which in a single year will approach if not exceed $10,000,000,000, a fuel famine of the first magnitude in midwinter which was met by the Government edict forbidding the use of coal for heat or light during a series of Mondays to all but certain exempted industries, and the virtual rationing of the citizens' consumption of bread in a country which produces the second largest wheat crop in the world, and which once produced the largest. Since these things, which no one would seriously have predicted a year ago, have all come to pass within the twelvemonth, it would be rash to attempt exact prediction of the future, near or distant. Nevertheless, the economic movement of the future must to a large extent be shaped by the character of the past year's movement, and that of the preceding years of the war.

When any one familiar with the markets undertakes to sum up the economic panorama of the war to date, and especially of the past year of war, he will be confronted with five or six main phenomena. The enormous increase of the war loans, both here and in Europe, would no doubt come first. Next to it, and of even greater interest in the mind of the ordinary citizen, must be classed the rapid advance in prices. In England a month ago they were 125 per cent. higher on the average than in July of 1914; the estimated average of commodity prices there being nearly up to the highest of the Napoleonic wars, and in this country being far above any since the Civil War. How much of this world-wide advance has been due to the abnormally large governmental purchases of all kinds of material and how much to the depreciated money on the European Continent, is still a matter of controversy. Both causes have undoubtedly operated.

The third consideration would be the progressive inflation of European currencies. Taking belligerent Europe and the United States together, the increase in paper money outstanding since July, 1914, has been from $4,600,000,000 at the earlier date to $26,700,000,000 at the last returns. Russia alone has increased its paper issues from $800,000,000 to $9,000,000,000. The continuing character of this movement is shown by the fact that during the past year currency issues of five European belligerents alone have increased more than $9,500,000,000. Nothing exactly like this was ever seen in the history of the world.

Depreciation of the currencies, as measured in the foreign exchanges, has been a notable episode of the period. German exchange has been down within a year to a discount of 50 per cent., Austria and Russia to a still lower discount, and France and Italy to a level nearly as bad. It has been insisted, by Germany especially, that this was purely a matter of balance of trade, and not of depreciated currency. No doubt the abnormally large imports of war materials had their influence, at any rate in the case of France and Italy. More recently, however, during the past few months, dealings have been begun on various markets in the actual currencies of certain belligerents.

In Switzerland, German Reichsbank notes were lately sold at a discount of 46 per cent., Austrian banknotes at 60 per cent. under normal valuation. In Wall Street the Russian paper ruble notes sold a few weeks ago at 10½ cents per ruble, whereas their par value was 52¼ cents—representing no less a depreciation than 80 per cent. This is fairly equivalent to the gold premium of our Civil War and the Napoleonic period; the more so in that the measuring of depreciation through the discount on foreign exchange alone has been in numerous cases corrected of late through the raising of large credits in neutral countries.

The position of labor during the war, and especially during the past year, has been a striking incident. In other wars, labor has suffered most of all. Even in our Civil War, average increase of wages was hardly one-third the average increase of prices, and organized labor was not a political or economic factor. In this war we have not only seen the wages of common and skilled labor rising in a more rapid ratio than the remuneration of any other class, and fairly matching the rise in cost of living, but organized labor has become increasingly a power in the state and in the war. The attitude of the English and American labor unions regarding peace proposals shows one side of this picture. But its striking manifestation has been the seizure of the Russian Government by the Bolshevik group, which represented what we should call an association of labor unions.

Finally, every European nation has been confronted after two years of war, and the United States before its first year of war was over, with such scarcity of foodstuffs and necessary materials as not only raised prices to abnormal heights, but made necessary governmental intervention—partly to regulate prices and partly to limit home consumption. Nothing like this has ever occurred in any former war. But that is easily enough explained by the fact that never in the previous history of the world have these various forces operated on such a scale as now—a fact which resulted inevitably from the huge complexity of that machinery of

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international commerce which was struck down by the war.

If, now, one undertakes to look ahead to the probable economic movement during the rest of the war, the first conclusion must be that the issue of war loans in progressively larger sums will certainly continue, and that a further rise in prices is inevitable, except as they are artificially restrained. The world's production of many articles is already at maximum capacity, and war-time consumption is limited only by transportation facilities.

In Continental Europe there will be further inflation of the currencies. It is going on with great rapidity to-day in Germany, France, and Austria. Of Russia no reports have been received since the Bolsheviki gained control, but currency inflation has certainly continued. As to how much further the currencies will actually depreciate, that is a matter of somewhat more uncertainty. The rates of exchange have recently shown a tendency towards greater steadiness; this, however, results largely from credit operations designed primarily to prevent further depreciation. One question of large interest in the remainder of the war will be the action of the exchanges and the currency valuation in the case of the nations which lose the conflict.

Undoubtedly, the restrictions on consumption and the strain on producing facilities will increase up to the end of the war—always supposing that the building of new ships or the invention of new implements for destroying submarines does not reach a point where the undersea blockade will be virtually terminated. As for labor, it would appear from the position taken in the Allied countries, at any rate, that the problem may not be greatly changed until the war is over. The truth is that labor is to an unusual degree getting the pecuniary benefit of the war—a fact which may possibly have large influence on its attitude.

When the war ends, what then? Civilization has never faced a more obscure problem; whose answer, indeed, aside from all the other exceptional perplexities, depends on the character of peace which is established. Only a few conclusions can be confidently asserted. One is that in Europe, at any rate, a long period of inflated currencies must follow return to peace. As far back as 1915, the late Leroy-Beaulieu predicted that ten years after peace would be necessary to bring the paper currency of France back to normal par, and the outstanding currency in that nation is now larger by 25 per cent. than then.

England and the United States have the special advantage of their power not only over existing gold resources, but over new gold supplies, and both have kept their currency expansion reasonably in hand. Other nations will reproduce for many years and on a vastly larger scale the incidents that followed our own Civil War. There may be some nations—Russia comes to mind—which will imitate revolutionary France in 1797 in first scaling down, then possibly repudiating, war-time issues of paper money.

The public debts will present a problem of the first magnitude. Russia is thus far the only state which has openly asserted the purpose of repudiation, and it is still a matter of much doubt as to how far such a decision by the Bolshevik Government can bind the Russia of the future. That the expedient of repudiation would be extremely dangerous, in view of every embarrassed Government's future needs for foreign credit, is recognized even in Russia. The problem of Russia is, however, singularly complicated at this time through her political and territorial disintegration. If the four or more separate states which have been carved out of Russian territory have to face the question of division of the debt between them, one is reminded of the fact that the highly similar problem as between the States of Virginia and West Virginia after the Civil War was not finally settled until after fully thirty years of controversy. Back of all these considerations stands the question, which has been discussed not only in Continental Europe, but in England, of the "capital levy," whereby 5 or 10 or 25 per cent. of existing individual accumulations might be sequestrated at one stroke by the state with a view of paying off its debts. The arguments against such action, alike from financial, political, and moral viewpoints, are extremely strong; yet it is one of the problems which the world must face.

As for industry and prices, the most that can now be said is that the prevalent ideas of 1915 and 1916 have been modified, if not reversed. In those days prices used to break, in what was called a "peace panic" on the Stock Exchange, whenever news arrived of what seemed to be the forerunner of a responsible movement by any belligerent for negotiations. Since the United States became involved in the war, this point of view has largely changed. This has been so, partly because the seriousness of the economic strain has been realized, and because, therefore, the economic relief which peace will bring is more widely appreciated.

But beyond even this, economists and financiers have begun to understand that after so wholly unparalleled an exhaustion of natural resources, both agricultural and mineral, many years will be needed to replenish supplies in our industrial states. While this process continues, there is reasonable probability that prices will maintain an abnormally high level. How long the period will be, is purely a matter of conjecture. The only apparent certainty of this part of the unknown future is the great advantage which will necessarily be enjoyed, through their vast natural resources, by the United States and Russia.

Beyond this it is difficult to draw any confident conclusions. Problems of labor and capital, problems of governmental relations to industry, problems of Germany's trade relations with the rest of the civilized world, are at present in a status which makes prediction difficult if not impossible. To the United States, the foremost matter of reassurance is the financial independence which it has shown throughout the war and is showing at the present day. Through its advances to other countries both before and after our own entering into the war, its existing foreign credits have been increased by not less than $6,000,000,000; to which, when comparison is made with dollars before the war, must be added the $2,000,000,000 or more of our own securities which have been bought back from European holders. To a considerable extent Great Britain has acquired during the war a similar power over its allies, to whom its own advances have been $5,000,000,000.

As to how and by what means these debts will be redeemed or met or liquidated, or even what their influence will be on the trade relations of the various countries after war, it is most difficult to say. Presumably the result must be that American and English capital will very largely have to finance the industries of these debtor states, and that through the product the nations will be enabled to meet the requirements arising from their foreign obligations. What precisely this process meant to the economic history of England after the Napoleonic wars, the commercial and industrial history of the nineteenth century is witness.

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The Excess-Profits Tax

By EDWIN R. A. SELIGMAN
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THE centre of the stage in our war-revenue legislation is occupied by the excess-profits tax. This is intelligible both from its importance as a revenue yielder and from its novelty. It is expected to yield this year almost one and one-quarter billions, or, to be more precise, $1,226,000,000, a sum which exceeds the anticipated yield of the income tax. But while the latter is simply an elaboration of the previously existing impost, the excess-profits tax is something entirely novel in the annals of American taxation.

The original idea which was responsible for the present law was borrowed from Europe. It started in some of the neutral countries, where immense profits were made in supplying the belligerents with raw material, food, and munitions of war. But in the belligerent countries also the profits of the mercantile and industrial classes were swollen to an inordinate extent. It was soon recognized that this great contest was a war not so much of men as of economic resources. The sums expended by Governments for providing the necessary material assumed colossal dimensions and necessarily went in large part through the hands of individual and corporate contractors. So pressing was the need that the principles of economy were thrown to the winds, and large profits accrued to the fortunate purveyors. The whole fiscal conduct of the war, moreover, led to a rapid increase of the price level, which naturally benefited the producer, whether or not he was working on war contracts. The well-nigh universal increase of profits was such as in many cases fairly to stagger the imagination.

In casting about for the wherewithal to meet these vast expenditures of the war, it was natural, therefore, for the Governments to take recourse to these very profits. Never before in the history of the world had such immense profits been made; never before in the history of the world had such immense sums been needed. It was not alone that the profits were so great, but that they were to an overwhelming extent the direct result of the war. Why, it was asked, should not those who prospered through no direct efforts of their own contribute to the common cause which was really responsible for their gains? In fact, more and more emphasis was laid upon the idea that no individual and no class of the community ought to be permitted to profit from the sufferings of humanity. The community was being called upon to make all manner of sacrifices: why should particular individuals or special classes be allowed to prosper through the sacrifices endured by the country as a whole?

This idea took shape in the war-profits tax. Starting at a comparatively low figure in some of the European countries, the rate soon rose to 50 per cent. It was some little time before Great Britain adopted the tax, but it was then levied at the rate of first 50 per cent. and then 60 per cent. During the present fiscal year the rate was raised to 80 per cent., and as the tax spread to other parts of the world, the rate reached, in some cases, even 90 per cent.

In all these countries, however, the tax was a war-profits tax; that is, it attempted to reach the profits that could be ascribed directly to the war. There was no thought of imposing any special burden upon profits in general. Profits in general were supposed to be reached by the income tax, which, as in Great Britain and Germany, assessed the profits of business as well as the income of individuals. War profits were everywhere defined as the excess of the profits during the war years over the profits in a pre-war period. Although this pre-war period varied from country to country, the fundamental idea was everywhere recognized that what ought to be reached by the tax was the excess of profits during war time over those of the pre-war period. The tax was strictly a war-profits tax.

In the United States, however, this principle was modified. Our tax is not a war-profits tax, but an excess-profits tax. Instead of trying to tax the profits due to the war, our legislators thought it preferable to tax high profits in general, whether or not due to the war. When the committees came to study the situation, they ascertained that there were a number of large corporations which had been making huge profits before the war and which would, therefore, be reached only slightly, if at all, by a war-profits tax; for, although their profits during the war might be great, they were little, if at all, larger than in the preceding period. Why, it was asked, should a business earning immense profits during the war be exempt from taxation simply because it had also been earning immense profits before the war?

This specious reasoning convinced our Solons. I say specious reasoning because it forgot that if the profits were high before the war, they were subject to the corporation tax and the income tax existing before the war. And even if it might be retorted that those taxes were inadequate, the situation might have been remedied by imposing a higher tax upon profits in general while, at the same time, retaining the principle of the specific taxation of war profits. As it was, Congress abandoned the conception of war-profits taxation and introduced the principle of excess-profits taxation. It is true that the tax is called the war excess-profits tax; but that term really means a tax on excess profits levied during the war, just as the similar term "war excise taxes" used in the law means the excise taxes levied during the war, and just as the term "war income tax" means, not a tax on incomes due to the war, but a tax levied during the war on incomes in general.

Although the tax is called a war excess-profits tax, that is, a tax levied during the war on excess profits in general, it is significant that nothing is said about the limitation of the tax to the period of the war. In the war-profits taxes abroad, the tax ceases automatically with the end of the war, for where there is no war there can be no war profits. It is entirely possible, however, for our tax to be continued after the war, just as it is possible that fiscal exigencies may compel the continuance in whole or in part of our war income tax or of our war excises. Our tax is, therefore, something novel and different from the taxes found in Europe.

This difference in principle carries with it differences in practice. Where the tax is imposed on war profits, it is in most cases simple, because it is comparatively easy to

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ascertain the excess of war profits over peace profits. Since, however, our plan is to tax excessive profits in general rather than the excess over a pre-war standard, it became necessary to lodge the criterion elsewhere than in pre-war profits, The criterion of normal profits is, accordingly, declared to be a certain percentage of the capital employed, the pre-war period being utilized only incidentally in ascertaining this normal percentage. That is to say, in computing excess profits, the law takes the excess over a certain so-called deduction or normal amount, consisting of a fixed sum ($3,000 for domestic corporations or $6,000 for partnerships, citizens, or residents), together with an amount equal to the percentage of the invested capital represented by the average annual income during the pre-war period, but with the important restriction that this percentage shall in no case be less than 7 per cent. nor more than 9 per cent. of the capital. From this base line of normal profits are computed the excess profits, the tax rising progressively with the excess, being fixed at 20 per cent. on the excess profits up to 15 per cent. and rising to 60 per cent. on the excess profits over 33 per cent.

It is obvious that the important point here lies in the computation of capital, for with one exception income is defined in the excess-profits law just as it is defined in the income tax law. The greater the amount of the "invested capital" as compared with a given income, the smaller will be the percentage and the tax.

This is the chief difficulty with the new law. What constitutes invested capital is so elusive as to be virtually impossible of precise computation. Not only will there be gross inequality between businesses which enjoy the same income, but which are variously capitalized, thus putting extra taxation on small and conservatively capitalized concerns; but all manner of opportunities will be afforded for evasion of the law.

The effort made to define capital in the law is not very successful. Invested capital is defined as actual cash paid in, the actual cash value of tangible property, and the paid-in or earned surplus employed in the business. Patents and copyrights are included up to the par value of the stock paid therefor, and the same rule is declared applicable to the other intangible property, with the arbitrary limitation that if purchased before 1917 the amount of this is limited to 20 per cent. of the capital.

The advisory board of the Internal Revenue Department has issued a long and interesting list of regulations relative to the tax, and it has sought manfully to deal with some of the most perplexing problems. A slight consideration, however, of the history of the attempts made in this country to ascertain for purposes either of taxation or of rate-making the capital or the valuation of our railroads and other public utilities ought to have given our legislators pause. We have been trying for almost half a generation to solve the problem of capital value in a single class of business enterprises. The best minds of the country have been at work on it—bankers, economists, engineers, and Government officials. The result is far from satisfactory. There is no agreement anywhere. Yet we blithely disregard all this experience and impose upon a small advisory board the responsibility of deciding at once a similar complicated question for the entire business of the country, involving in not a few cases even more complicated problems than are found in the public utilities. It is not too much to say that we are relegating to them a task impossible of execution. The result is bound to be unsatisfactory. It has been contended, in defence of the law, that it is immaterial whether the criterion be sought in income or in capital; for capital, we are told, is nothing but capitalized income. In reality, however, capital is not capitalized income; capital is the capitalization not only of present income, but of anticipated future income, which is a very different thing. If, as frequently happens, the anticipated future income does not materialize, there is a vital difference between a tax on capital and a tax on income. The objection to the law still remains, as before, that the choice of capital not only constitutes a clumsy attempt to reach taxable ability, but introduces a gross inequality in principle and a deplorable uncertainty in administration. While something may no doubt be done to clear up the ambiguities and to remove some crass inequities, enough will remain to deprive the measure of a claim to scientific or practical validity.

The most serious objection to the law, however, has yet to be mentioned. Even assuming that the above difficulties were removed, that the capital could be accurately estimated, and that it varied in amount proportionally with the income —even then the tax would still be defective.

This is due to the criterion chosen for the basis of the graduated scale. Something can be said for a graduated tax on income; something can even be said for a graduated tax on capital; but it is difficult to say anything in defence of a tax which is graduated on the varying percentage which income bears to capital. To penalize enterprise and ingenuity in a way that is not accomplished by a tax on either capital or income—this is the unique distinction of the law. For, in the first place, while it is true that excess profits are sometimes the result, in part at least, of the social environment, they are not infrequently to be ascribed to individual ability and inventiveness. While it is entirely proper that a share of the profits should go to the community, it is not at all clear that the tax should be graduated according to the degree of inventiveness displayed. But there is a still more important consideration. Almost all large businesses have grown from humble beginnings, and it is precisely in these humble beginnings that the percentage of the profits to the capital invested is apt to be the greatest. The criterion selected, therefore, is the one best calculated to repress industry, to check enterprise in its very inception, and to confer artificial advantages on large and well-established concerns. Nothing could be devised which would more effectively run counter to the long-established policy of the American Government to maintain competition.

The final shortcoming of the law is that it really does little towards taking for the community the real war profits of business. Even though our rates reach 60 per cent., this rate is imposed only on a small proportion of the whole, and the total tax takes a very much smaller share of the war profits than in any other leading country. It is unfortunate to see the net profits of some of our important corporations, after making all deductions for the excess-profits tax, amount to several times as much as what was earned before the war. As a war-profits tax, the law is a failure; as an excess-profits tax, it will probably not be a success.

It is much to be hoped that when Congress again occupies itself with the fiscal problem, it will see fit to remedy these defects. If we are to retain the principle of the excess-profits tax, it ought to be put on a different basis. But whether the basis be retained or not, we ought to have what we do not have at present, namely, a war-profits tax.

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Publicity as a Recognized Business Force

By GUY EMERSON

Vice-President National Bank of Commerce in New York

THE business men of the Federal Reserve District which includes New York city have been a tremendous factor in raising the first two Liberty Loans. They are being counted on even more extensively for the third. One of the chief reasons why business men have been of value in loan campaigns is because they have appreciated the power of publicity. It is not necessary to convince the head of a great business organization that advertising and straightforward publicity are necessary. He already knows it. In most cases his business has been built up through placing his goods before the public and keeping them there.

Publicity has long been recognized as a business force; previous to the great war, however, Americans had not realized its value as a national and patriotic force. It is only within the last year or two that public men have come to see that progress and publicity are inseparable. You can have publicity without progress, but you cannot have progress without publicity.

In 1787, when the thirteen original States were struggling to establish a sound government, a convention was held in Philadelphia presided over by George Washington. Among the delegates were Benjamin Franklin, Alexander Hamilton, and James Madison. The question arose with regard to the election of the President. Every one believed on principle that the election should be by the people. But it was finally decided that the popular will could not be trusted with so important a measure. What was the reason for this? The reason, as stated by the members of the Federal Convention, was simply their belief that the citizens of so enormous a territory as that covered by the thirteen States could not possibly have a sufficient knowledge of the candidates to vote intelligently upon them. The citizen of Maine knew less about the citizen of South Carolina than any of us today can learn in five minutes about the rude inhabitants of the most remote island in the South Seas. It was consequently decided that the President should be chosen by a group of prominent men sitting in a college of electors. Today we witness the spectacle of a Presidential election in a great nation of 110,000,000 people, extending from the Atlantic to the Pacific and from Canada to the Gulf, casting millions upon millions of votes for candidates whose features and achievements are the familiar gossip of the farm fireside and the country store as well as of the streets of our great cities. This is a triumph of publicity.

Not long ago we witnessed the spectacle of a great nation acquiescing in a law which ran contrary to the established traditions of the nation. We saw a military draft law carried into effect without confusion and without substantial objection. Without publicity this would have been inconceivable.

On the first of May, 1917, there were in the United States, as the result of many generations of intensive effort on the part of skilled salesmen, 350,000 holders of bonds of all sorts. On the first of November, 1917, only six months later, after two organized publicity campaigns, there were in the United States more than 10,000,000 holders of Government bonds alone. In two periods of four weeks each, 10,000,000 Americans in every State in the Union had come forward and lent to their country three times as much money as had been raised in the four years of our Civil War, during which the nation was stirred to its very depths.

The power of organized publicity has been made manifest in a score of similar campaigns in the Allied countries during the course of the present war. On the other hand, we have before our eyes an example of the national disaster which arises in a nation attempting to do modern things in a big way without having the tremendous potentialities of publicity. We have but to turn our eyes upon the lack of coördination of thought and effort in Russia to realize the tragedy of a nation which has not organized its forces for spreading the facts among all the people. I say without hesitation that if an organization were to be developed in Russia similar to the Liberty Loan organization existing in the United States, that great country and that great people could be aroused as a unit within twelve months for the support of democracy and humanity.

It has been only since the outbreak of the present war in Europe that the far-reaching power of organized publicity has been appreciated. Great national service has been rendered in this connection in putting the facts before the whole people and in making them conscious of their own will in regard to these facts. In this service business men have played a large part. They have given their services without personal compensation and have brought home to the public in every city, town, and village in the country, in ringing phrases which could not be ignored, the vital war

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needs of the country. The service of advertising to the war is an inspiration to all who have been intimately in contact with it. It has proved that the American people is sound at the core, is more truly a unit than we would have dared believe could be moulded from the heterogeneous jumble of races that makes up the nation. Through nation-wide publicity, the American people has discovered itself. This achievement points the way to the more efficient functioning of democracy not only for the winning of the war, but for the tasks of peace.

This is not a time, however, for retrospection. We are already in the midst of preparation for a Liberty Loan campaign which will probably be the greatest financial campaign ever witnessed in the history of the world. Other campaigns for money and for other purposes will follow. We are not deluding ourselves with talk of early peace. Business men have their coats off and their sleeves rolled up. They have very little time to discuss their value to the nation. They are too busy with actual service.

In raising future Liberty Loans, business men can be of great value in putting the publicity machinery, with which they are in direct contact, at the disposal of the Government, and in utilizing the power of clear and forceful statement to bring the financial needs of the Government to the attention of the people. If this is done, it has already been demonstrated that the people can be trusted to do the rest. The most urgent need, for the future as well as the present, if the machinery of our national life is to prove adequate to its great task—the task of demonstrating to the world that democratic efficiency is superior to autocratic—is the need to get the facts before all the people and to awake them to the consciousness of their own will.

The time will come when history will recognize the power of words with the truth behind them, and it will be said without hesitation that publicity has been a powerful force in helping to win the war, just as it will be an increasing force in that fascinating modern art of taking the truth out from under a bushel and translating it into the endless and irresistible power of human action.

The Railroads Under Government Control

By R. L. BARNUM

NEARLY three months have elapsed since President Wilson surprised the country with the proclamation that at noon on Friday, December 28, the railroads would be taken over by the Government and so operated as long as the war continued. To-day an edict goes out from Washington for the consolidation of competitive ticket offices, both for economy and convenience of the public. Yesterday it was announced that all locomotives and freight cars were to be purchased by the Government. Washington dispatches of the day before stated that a railway financial clearing house was about to be established to adjust the accounts between each road and the Government and among the various railway systems themselves.

Just how far has the Government gone during the past three months in welding the twelve hundred separate railroad organizations into one system? In view of the figures just published, showing the falling off of $120,000,000 in net earnings of the railroads, after taxes were paid, for 1917 compared with 1916, and the heavy operating deficits for January of 1918, how will the Government make good its guarantee of allowing each road net income equal to the average for the three years ending June 30, 1917? Earnings for that period were the best for any three successive years in the country's transportation history. Where do the holders of the $20,000,000,000 outstanding railway bonds and stocks stand? With each day bringing startling news developments from Washington, such inquiries as these are becoming more and more interesting.

Taking up these questions in turn, some idea can be had of how much ground has been covered by the Government in taking over the railroads when it is realized, as many railway officials are admitting with a sorrowful side shake of the head that Washington, not Wall Street, is now the country's railroad centre. In days gone by, the policy of every important railroad in the country, with the exception of the Pennsylvania, has been determined by directors who held weekly or monthly meetings in the financial district, the directors being elected once a year by proxies obtained from widely scattered shareholders. Since December 28, 1917, all that has been changed. William G. McAdoo has taken the place of the railway directors. And no one, however powerful in the railroad world in the old days, questions his authority.

Just what happens when Mr. McAdoo sends out an order can be illustrated by a heretofore unpublished story of what happened during the very first days of Government control. There was a meeting of railroad presidents secretly called at a well-known Wall Street address to discuss the action to be taken regarding the peremptory instructions that were being received daily from Washington. Every railroad president answering the roll call had won hard-fought battles in the old days with the Interstate Commerce Commission. "Well, I have no intention of doing this," was the comment of one on a certain order that had been received. "Catch me answering these questions," was the positive conclusion of another when a new point was raised. So it went on until one of the hardest fighters in the room, who had been quietly listening, changed the whole trend of the meeting with: "You men are all wrong. Take it from me, McAdoo's going to get what he wants. If you don't give it to him, he will simply send some one up here to take your job who will."

That explains, too, why railroad men like R. S. Lovett and Carl R. Gray, who had reached the very top and were receiving salaries of $50,000 or more a year, have just resigned from all railway connections to give their undivided service to the Government. Mr. McAdoo let it be known plainly that he was of the belief that no man could give his best to the Government who was still serving private interests. Recognizing fully the honor of being asked to help solve one of the greatest problems now confronting the country, and realizing that if they did not do what the Director-General wanted, others would be asked to take their places, Mr. Lovett and his associates lost no time in sending to Wall Street their resignations.

In fact, Mr. McAdoo's first act in following out the in-

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structions in President Wilson's proclamation of December 26 was to surround himself with some of the ablest practical men in the railway profession. Lovett was E. H. Harriman's hight-hand man. Gray came East after having served under James J. Hill as president of the Great Northern. Hale Holden, president of the Burlington, was one of the first men selected for the Advisory Committee.

The highly prosperous Burlington was one of Mr. Hill's pets. When Holden was adopted, the grizzled Great Northern chairman remarked to his directors, "Just you keep your eyes on this man." Like Holden, Walker D. Hines, another member of the McAdoo cabinet, is a comparatively young man. He is only forty-eight. Hines was raised by Milton H. Smith, president of the Louisville & Nashville, who for more than a generation has meant as much to the South as Mr. Hill did to the Northwest. Henry Walters, chairman of the Atlantic Coast Line, was another early selection. There is no man in the railroad world to-day whose judgment ranks higher from hard-headed Wall Street's viewpoint than that of the Atlantic Coast Line's chairman. Walters is a man of very few words. But he *is* the Atlantic Coast Line, a dividend paying system made up of over 12,000 miles.

Then there was Edward Chambers, vice-president of the Atchison in charge of traffic, and John Skelton Williams, former president of the Seaboard Air Line and now Controller of the Currency. These men, conferring with Mr. McAdoo and the other members of the Advisory Committee, decided that for operating purposes the country should be divided into sections like those served by the various Federal Reserve Banks, acting under the Federal Reserve Board at Washington. A. H. Smith, president of the New York Central, was placed at the head of the railroads east of the Mississippi and north of the Ohio. C. H. Markham, president of the Illinois Central, which has been paying dividends without a break since 1863, was appointed regional director of all lines south of the Ohio and east of the Mississippi. R. H. Aishton, president of the Chicago & Northwestern, the aristocrat of the West, was placed at the head of all mileage on the other side of the Mississippi.

After placing the actual operation of all railroads in the hands of these tried and proved railway executives, the Director-General and his advisers began the big task of breaking up country-wide freight congestion. Then they went at the problem of sending the available supply of cars and locomotives where they were most needed. The first order actually sent out by Director-General McAdoo was to railway officials in general, as follows: "You are requested to make every possible effort to increase efficiency and to move traffic by the most convenient and expeditious routes. I confidently count on your hearty coöperation. It is only through united effort, unselfish service, and effective work that this war can be won and America's future be secured."

But Mr. McAdoo and his board of advisers did not leave this work for others. The next order was that all transportation systems should be operated as one system; all "terminals, ports, locomotives, rolling stock are to be utilized without regard to ownership." For example, Illinois Central, which had wisely looked far ahead in providing motive power, was ordered to send a certain number of locomotives to a near-by neighbor in distress. The impecunious neighbor was ordered by Washington to return to Illinois Central a certain number of locomotives badly in need of repairs. Illinois Central was then ordered to make the needed repairs with its own men and material. That was something brand new in railroading. Shortly afterwards, Illinois Central notified its shareholders that the monthly statements of earnings would no longer be mailed to them. Under the existing conditions, the notification said, the statements would not reflect the company's real earning power.

But the order to pool locomotives, freight cars, and shop forces was only the starting point. To-day there are committees working at Washington under Director-General McAdoo to standardize all equipment, that is, to have all locomotives and freight cars as much alike as possible. Besides effecting a saving in buying, when a freight car breaks down at San Francisco in the future, it will not be necessary to hold that car idle until parts are shipped across the country. Another committee worked out a plan whereby the demurrage charges on loaded cars would be raised so high that shippers would no longer use them to store freight. Another committee started out to learn whether or not better use could be made of terminals, especially at congested seaport towns. Another set of lieutenants prepared a list of searching questions regarding the salaries paid to officials over and under $10,000 a year. One man was placed at the head of contemplated improvements and betterments; another was placed in charge of freight-car distribution.

How is all of this going to affect holders of railway stocks and bonds? In the old days, if such things had happened, investors would be out on the very edge of the anxious

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Export and Import Trade figures for the year ending June 30. 1917, are now available. It is interesting and prophetic to note the steady excess of exports over imports.

Year ended June 30:	Exports.	Imports.	Excess of exports over imports.
1917	$6,293,806,000	$2,659,355,185	$3,634,450,815
1916	4,333,482,885	2,197,883,510	2,135,599,375
1915	2,768,589,340	1,674,169,740	1,094,419,600
1914	2.364.579.148	1.893.925.657	470,653,491

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bench. But to-day there is no cause for alarm. Under the Government guarantee here is what a dozen well-known companies will be allowed compared with what was actually earned for the fiscal calendar year ended December 31, 1917:

	Three-year average.	Earned for 1917.	Div. paid, %
Baltimore & Ohio	6.2	4.6	5
Pennsylvania	8.5	9.8	6
St. Paul	5.4	0.0	4
New Haven	2.0	1.7	None
Lackawanna	37.3	36.3	20
Delaware & Hudson	11.1	8.9	9
New York Central	12.4	9.4	5
Union Pacific	14.8	16.8	10
Norfolk & Western	13.6	14.9	8
Erie	2.0	0.0	None
Atchison	11.9	15.2	6
Illinois Central	10.3	18.9	7

Take Baltimore & Ohio, the first stock on the list. For the calendar year 1917 that company earned only 4.6 per cent. on its common stock. During the month of January, 1918, bare operating expenses were earned, leaving a deficit to face interest and dividend requirements amounting to $3,000,000 a month.

That is a situation which ordinarily would create much concern, because shareholders would understand that a reduction in the dividend rate was ahead. What actually happened in Baltimore & Ohio? Towards the close of January, with the poor earnings statements before them, the directors met and declared the usual 2½ per cent. semi-annual dividend. Why? Because as long as the war lasts the Government guarantees the company net income equal to 6.2 per cent. on its common stock.

In brief, holders of railway bonds and stocks now know exactly where they stand. Under the Government guarantee, they will go on receiving interest and dividend checks at the rate paid during the best three successive years in the history of their industry.

So much for the holders of railway securities. What about the Government itself? It can be predicted with safety that the Government is not going to have any trouble in making good its guarantee to the railroads. In England, according to the information obtained by the United States Senate after the Administration bill was proposed, the first six weeks of Government operation were the most trying for both the holders of railway bonds and stocks and for the Government. But the turning point was soon reached. Earnings for 1915 were better than those for 1914. For 1916 the figures were above those of 1915. New high records were made last year.

What this country is going to accomplish will astonish England. It will be recalled that in 1910 Mr. Brandeis maintained that it was possible for the railroads to save $1,000,000 a day, many times more than the amount represented by the rate increase then proposed.

Before very long the country is going to discover that Mr. Brandeis underestimated the amounts that could be saved by the railroads. If the railroads of England can make such a success under existing conditions, this country can go much farther. In England, for years before the war began, the railroads had been allowed pooling privileges through a regularly organized board. Here in our railway management we have only just begun to understand what is meant by the word coördination. Take, for example, the statement just issued at Washington covering railway earnings for 1917. For the first time in the history of the country the gross amount was over four billions of dollars, the round figures being $4,401,000,000. That was an increase of no less than $776,000,000 over the high record established in 1916. Despite this enormous increase in gross, last year's net earnings before taxes were paid were smaller by $60,000,000 than in 1916.

Think of earning $776,000,000 more gross and having a decrease in net of $60,000,000! When the detailed figures for 1917 are analyzed, it is found that $344,000,000 of the increase in operating expenses was in one single item, "cost of conducting transportation." That item, which includes wages and fuel, reflects, more than any other, operating efficiency or the lack of it. In this country the problem of discovering the potential earning power of the railroad machinery, already bought and paid for, has just begun.

It must be admitted that but for the war the only other way this discovery possibly could have been made was through Government ownership. What is going to happen after the war is another story; but if the American public once starts out in earnest, in peace times, to learn the difference between outright Government ownership and private ownership under strict Government regulation, the intelligent vote will never go for permanent Government ownership.

Integrating America

By WILLIAM M. HOUGHTON

Publicity Division, Liberty Loan Committee

THE flotation of the third Liberty Loan, supplemented by the passage of the War Finance Corporation bill, can tend to only one thing, and that is the complete control of the credit market by the Government. An estimate of the country's savings in a normal year approaches $6,000,000,000. The entire aggregate of Liberty bonds issued since May, 1917, is $5,800,000,000, and in addition the Government has outstanding something over $2,000,000,000 in short-term notes, while it has collected hundreds of millions in taxes. It can be seen, therefore, that already the Government has borrowed or conscripted for war purposes an amount of savings considerably beyond the normal yearly surplus of production over consumption, and that if any margin of savings remains as the result of the patriotic acceleration of industry and thrift, it will be swept away completely in the campaign soon upon us. Could there be any clearer demonstration of the need for the utmost degree of personal and industrial economy? Could there be any clearer indication of the process by which eventually the country's business will be harnessed to the demands of war?

But if we had not the evidence of what to expect right before us, we could predict the industrial and financial results of the third Liberty Loan from the experiences of Great Britain in like case. In the three years between August 1, 1914, and August 1, 1917, Great Britain had issued three internal long-term loans which yielded the huge sum of nearly $10,000,000,000, or an average of something over $3,000,000,000 a year. Since the United Kingdom has a population only half the size of ours and estimated savings in a normal year of $3,000,000,000, again only half the size of ours, we should double the figures for

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her loans (making them $20,000,000,000, approximately, for the three-year total and something under $7,000,000,000 for the yearly average) to arrive at an estimate of the equivalent financial effort here. So presented, these figures picture an achievement both greater and less than ours, greater in the aggregate, but less if the element of time be considered. Our present fiscal year is not yet three-quarters spent, and we have only a billion of Liberty bonds to issue if we would equal the British average, whereas we are proposing to issue immediately several billions, possibly enough to double this average.

The point to be noted, however, is simply that in the course of financial operations similar to those completed and contemplated in the United States our ally has been obliged to organize her industrial fabric with the one object of war production. Industrially Great Britain is stripped to-day like a battleship in action. She has mobilized her resources for war to a degree quite unprecedented in the history of the world.

To a large extent, the successful flotation of war loans of the size of those we have been considering compels such a mobilization. The process begins with the absorption by the Government of the unfunded savings of the nation. Business must have credit, and it finds rates in the money market prohibitive. Even private enterprises essential to the proper conduct of the war, and hence promisingly profitable, find themselves in danger of starvation and under the necessity of turning to the Government for aid. Secretary McAdoo's request to Congress for permission to set aside half a billion for this purpose is eloquent testimony on this point.

But the process is not confined to the flow of credit. Other business requisites are equally limited, making the competition for credit all the keener and its procurement a prerequisite. Coal, labor, transportation, raw materials, all feel in ever-increasing degree the magnetism of the war demand. The Government has the right to regulate the distribution of these things, but whether or not it seeks to exercise this right of regulation, it attracts them to its purposes through its control of the credit reservoir and in its ultimate ability, therefore, to outbid competitors. Rising prices automatically restrict the employment of necessities to those industries which can tap the credit supply.

For the reasons outlined, therefore, the flotation of the third Liberty Loan should prove a powerful influence in the mobilization of the country's business for war. Each loan, in fact, as one succeeds another, must give a decided impetus to the process of shaking the industrial organization into the grooves of war, and the greater the loan the more irresistible the impetus. When the third loan has been subscribed, we should be measurably nearer in this country an approximation of the present British industrial situation.

There has been a persistent impression abroad that a nation first wakes up to an appreciation of war when the casualty lists come in. This is undoubtedly true; but it is not an appeal to rely upon to an extent which involves what might be called the exploitation of the casualty list. Casualty lists are tragic reminders of the cruelties of war, but for this very reason they may lead to a numbness of the understanding rather than serve as an impetus to action. It is like reading the story of a train wreck while riding comfortably in a Pullman car.

The human mind shuts itself against shocks, but opens to the light of persistent and colorful persuasion. Indeed, one of the amazing discoveries of this war has been the power of propaganda. On one side of an imaginary line between the Baltic and the Black Sea we have seen it disintegrating and demoralizing a mighty nation, while on the other side, directed to an exactly opposite purpose, it has welded a great people into a fanatical unit behind a programme of world conquest as fantastic as it is brutal and costly.

It is propaganda, publicity, advertisement, nearly a million dollars' worth contributed by the business men and bankers in this district alone during the last drive in October, which has brought the war home to the people, and which has played a great part in transforming a remote, heterogeneous, prosperous, and peaceable population like that of the United States into an integrated and determined force, the potentialities of which can only be guessed at because such a combination of forces—a free people united in a struggle for fundamental liberties—has never participated in a world struggle. And every Liberty Loan drive increases that integration and that determination. Since the campaign outlined and already under way to make the third loan a success is the most comprehensive and forceful yet attempted, it seems logical to suppose that its effect on the popular will to victory will be in proportion.

In short, the collection of the third and greatest of Liberty Loans should entail an alteration in American life industrially and psychologically which will bring us appreciably closer to the realization of that war footing without which our part in this war cannot be worthy of our traditions or of our new world obligations.

War and Inflation

Recent figures issued by the Treasury Department show the total general stock of money in the United States on January 1, 1918, to have been $6,256,198,271 as compared with $5,012,-045,517 on January 1, 1917.

Per capita circulation of money on January 1st last was $48.76 as compared with $43 a year ago and $38.48 in 1916. A natural result has been the increase in prices of merchandise and commodities. The more money there is in circulation the less its purchasing power.

With the continued demands of our Government for money, goods and services, a certain degree of inflation seems unavoidable, but the banking system of this country should be able to control its extent. Merchants and manufacturers can co-operate at this time by conducting their business along conservative lines.

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Supervision of Security Issues by the United States

By ALLEN B. FORBES

Advisory Committee of the Capital Issues Committee

WHAT supervision, if any, the Federal Government should exercise over the issuance of new securities in the United States came up for serious consideration almost simultaneously with our entrance into the war. England had met her problem in this respect by the appointment of a so-called Capital Issues Committee. Under the general direction of the British Treasury this committee was organized and started its operations in January, 1915, coincident with the reopening of the London Stock Exchange. Since that time it has assumed what amounts to practical charge of the approval or disapproval of the issuance of securities in the English market, excepting only those of the Government and its dominions, these being dealt with directly by the British Treasury itself. The refunding of existing indebtedness has been generally permitted. Aside from such operations, it is understood that the English committee has not favorably considered an application for permission to issue securities unless it has fallen within one of two classes, either (1) where it appeared essential to put in new money in order to prevent a very serious loss of previously expended capital, or (2) where it was related to the prosecution of the war and had the favorable recommendation of the proper governmental department interested therein.

It has been apparent from the beginning, in the United States as well as in England, that one important aim in the supervision of security issues is the conservation not only of loanable capital for war uses, but also the conservation of labor and materials, including such services as supply transportation and power. The strain which has been put upon labor, transportation, and the sources which supply necessary materials, is now a commonplace. The importance of this matter in England has been so great that the permit of the Minister of Munitions has been required for construction work exceeding the very nominal cost of £500.

Careful consideration of the entire subject in the United States soon made it clear that some sort of supervision over the issuance of new securities should be exercised by the Federal Government. This course was urged by a number of organizations which gave the matter close study. The underlying reason for this recommendation was the great difficulty of conserving labor and materials and the necessity of curtailing unessential financing in order that essential financing might be accomplished.

At the request of the Secretary of the Treasury, the Federal Reserve Board undertook the duty of passing upon such proposals for the issuance of new securities as were submitted to it. Accordingly, a special committee of the Board was created for this purpose, consisting of Messrs. Paul M. Warburg, Frederic A. Delano, and Charles S. Hamlin, Mr. Warburg being made chairman. In addition there was created an advisory committee of three members, consisting of Mr. F. H. Goff, president of the Cleveland Trust Company, Cleveland, O.; Mr. Henry C. Flower, president of the Fidelity Trust Company, Kansas City, Mo., and the writer.

In order to arrive at the clearest possible understanding of each separate proposition brought to the attention of the Capital Issues Committee, and in particular to have the best available local appraisal of the application, it was considered advisable and even necessary to establish a considerable number of subsidiary organizations throughout the United States. Accordingly, there was created in each Federal Reserve district, with headquarters at the respective Federal Reserve Banks, a sub-committee on capital issues, and in addition there were local committees to sit at Federal Reserve Bank branch points. The sub-committee located in each district consists of the Federal Reserve agent as chairman, the governor of the Federal Reserve Bank as vice-chairman, and three additional members, possessing special banking or business experience, to serve with the two ex-officio members of the bank. Associated with each sub-committee is an auxiliary body composed of bankers and others having broad financial and business experience, particularly in respect to the issuance of securities. In the investigation of any application brought before a sub-committee, the assistance of one or more members of its auxiliary body especially qualified in the premises is usually enlisted. Quite naturally, no member of any committee or auxiliary body in any way interested in an application submitted to the Capital Issues Committee has anything to do with its consideration either directly or indirectly. It may be added parenthetically, however, that this is a measure adopted primarily as a protection to the interested member of the committee or auxiliary body against any possible criticism in the event that the application in question receives the final approval of the committee.

All applications for approval of security issues should be addressed to the Capital Issues Committee at Washington. This committee then may refer applications to the particular district from which a report is desired with such views or instructions, if any, as seem appropriate. In the interest of time it has been suggested that a duplicate of the papers forwarded to Washington be submitted to the sub-committee in the appropriate Federal Reserve district.

It is obviously impossible for the Capital Issues Committee to undertake the supervision of all new security issues regardless of how small the amount may be. It was determined, therefore, that in the beginning the minimum amount of a security issue to be submitted to the committee for its approval should be $500,000 in the case of corporations and $250,000 in the case of States and municipalities. Subsequently it was decided to reduce from $250,000 to $100,000 the minimum limit applying to State and municipal issues upon which the committee would advise in respect to whether or not the issuance of such securities is compatible with the public interest. The minimum amount applying to corporate issues will be substantially reduced. But even though it is a practical necessity to establish a minimum limit, the Treasury Department and the Capital Issues Committee have earnestly expressed the hope that the most searching examination will be made by municipalities, corporations, bankers, and business men over the entire country before they become party to the issuance of securities of an amount which falls below the minimum limit set by the committee. The aggregate of such small flotations obviously

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is enormous, and in the present situation it becomes practically an issue of patriotism to apply the yardstick of necessity alongside each proposal to use new capital, regardless of amount, and to abandon the project if it does not come clearly within the class of essentials.

The Capital Issues Committee has adopted the policy in respect to refunding operations that the renewal should be favorably considered unless the concern making application can pay the maturing indebtedness in whole or in part from current funds. It is realized, of course, that the issuance of securities for refunding purposes is not in the aggregate the employment of new capital, but is in reality the extension of existent outstanding credits. The committee has announced also that a similar policy has been adopted in dealing with the funding of banking debt incurred prior to February 1, 1918.

In respect to State and municipal issues, the decision of the committee has been based primarily upon whether or not the expenditure is a condition precedent to the maintenance of the health and welfare of a community. The committee has urged that public authorities, both State and municipal, approve appropriations only where urgently required by these considerations.

Applications for approval of bonds to be issued for new road construction are determined primarily by consideration of whether or not these roads are important from a military point of view or have a marked economic importance, and whether or not results, through the new construction, may be expected to be obtained approximately within the present year.

Certain electric-power projects have been passed upon favorably because of the fact that the amount involved was small as compared with the capital already invested in such undertakings and because the power to be provided is required primarily for industries directly connected with the successful prosecution of the war.

It is understood, of course, that railroad financing does not come within the province of the Capital Issues Committee.

Instructions as to the data required by the committee at Washington in respect to applications made to it have been recently distributed. Complete copies may be procured from the committee at Washington or from the different sub-committees throughout the United States. As throwing additional light upon the points considered of greatest importance by the committee, certain paragraphs of this announcement are quoted:

> If the issue is to be made for war purposes or to raise capital in connection with war contracts or war supplies, or to provide equipment, buildings, or facilities of any kind for war work, full description thereof and amounts needed therefor should be stated.
>
> If any war purposes are involved, reference should be made to the proper governmental authorities at Washington and elsewhere to enable definite information and corroboration to be obtained directly by the committee.
>
> If the issue is deemed necessary for reasons of public health or welfare, or other public economic necessity, describe the same in full.
>
> If the issue is made for private financial requirements and no public interests are involved, a very clear exposition of necessity will be desired.
>
> In all cases full reasons should be given why the proposed issues cannot be postponed until after the war, or why the necessity is greater than the paramount need of the nationai Government in conserving the financial resources, materials, and labor of the country for the war.

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It is generally understood, of course, that the Capital Issues Committee is acting under voluntary rather than statutory powers. As in the case of the Capital Issues Committee in England, the committee at Washington has relied upon the patriotic coöperation of the country. Resolutions adopted by the Governing Committee of the New York Stock Exchange illustrate the eagerness to assist in this movement to conserve capital for war uses. This resolution is to the effect that new capital issues coming within the scope of the committee's regulations shall not be listed except after the committee's approval has been received. The Board of Governors of the Investment Bankers Association passed a resolution that it was the sense of the board that the members should not buy or sell such securities unless they had been first approved by the committee. Most favorable resolutions have been adopted also by the American Bankers Association, by leading Chambers of Commerce, and by similar organizations throughout the country.

As illustrating a movement the spreading of which will do much to serve the Government at this time, there is here quoted the resolution adopted by the League of Kansas Municipalities:

> It is recommended that during the period of the war each and every city government in this State shall undertake only such paving and other improvement work as may be actually necessary to be undertaken at this time; thereby releasing men and money for the service of the national Government.

As a further step in the general war programme of the Secretary of the Treasury, the War Finance Corporation bill was introduced in Congress early in the year. This bill, as is known, includes within its scope the creation of a body charged with the supervision of capital issues. At this writing the measure is still before Congress, and it is not within the scope of this article to refer to it in detail. It seems appropriate to comment, however, that Congress and the Treasury Department as well as the representatives of

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business and finance in the country appear to be unanimous in recognizing the great desirability of the Federal Government exercising general supervision over the issuance of securities for the period of the war. It is expected that in this way the several States and their municipalities and the corporate and other organizations as well as individuals throughout the United States may receive practical guidance in the determination of what is essential financing and construction, and what, on behalf of the United States and her allies, can be and should be postponed until after the war.

Mobilizing the Acres

By JAMES N. ROSENBERG

FEW business men would allow to go unchallenged a statement that a third of the annual production of wealth in this country is substantially without banking aid. Yet the statement is not far from true. The farm and live-stock products of the United States were valued for 1917 at fifteen billions of dollars, of which two-thirds consisted of crops alone. The biggest industry of the United States, therefore, is the raising of crops. Not only is this the biggest business in the amount involved; it is far the most important in its creative aspect, for the production of manufactured articles is in large measure the transmutation of iron into steel and steel into locomotives, automobiles, and needles, while the production of corn and wheat is the transformation of air, sunshine, rain, and the riches of the earth into food and countless other useful things.

The world war has necessarily resulted in engaging untold wealth and human energies in the business of conflict and destruction. To assert that increased food production in this country will win the war may be an overstatement, but thinking men recognize that a failure to increase the food production may lose it, for the noblest ideals and the finest courage cannot survive an empty stomach. Great as has been the crop production of this country, it goes without argument that adequate banking support would immeasurably increase it. Why is that banking support lacking? How can it be obtained?

The Country Bank and the Farmer

The country banker, like his city brother, extends credits largely on the basis of a financial statement. The business of extending credit has been reduced almost to a formula. What does the borrower's financial statement show? Are his "quick assets" twice the amount of his debts? To use the stock phrase of bankers, are his quick assets, as against his liabilities, "two for one"? Farmers, especially the smaller ones, do not, as a usual thing, keep books of account. They do not make financial statements. They have not so-called quick assets of two for one. The president of the country bank, motoring through the country, sees wide acres of ground. Whether they are fat or lean; whether the farm buildings upon them are modern; what sort of implements and equipment the farmer has; whether the farmer is an ambitious man, with a family of growing boys and girls, and can till more acres; these are matters into which the banker does not inquire. He is not to be blamed, for the farmer does not even attempt to go to the banker and obtain a loan on what is designated in business circles as commercial paper. While the farmer knows what it means to borrow on a mortgage and to buy farm implements on a conditional bill of sale, he does not understand the business of borrowing on unsecured commercial paper. Yet such paper is capable of rediscount with the Federal Reserve Banks. The statement is ventured that the amount of farmers' notes coming to Federal Reserve Banks, when compared to the volume of farm business in this country, is negligible, and this fact furnishes convincing proof of the small extent to which farmers' commercial paper has become part of our business machinery. The most celebrated statement of the late J. P. Morgan was that credit is founded on character. The banks should learn the lesson.

Federal Reserve Banks

Farmers' commercial paper, instead of being discriminated against, should be preferred, for the act of Congress which created the Federal Reserve banking system favors such paper.

What is the Federal Reserve Bank? It is a bank of reserve, and rediscounts for other member banks. It is a place where member banks can get money for their commercial paper. All national banks are members of the Federal Reserve banking system. State banks and trust companies may become members thereof, and many of them have done so. A member bank can take its customers' commercial paper, maturing ninety days from the date of discount, to the Federal Reserve Bank, which will let the member bank have money equalling the amount of the notes so discounted. Where the commercial paper, however, is farmers' paper, the Federal Reserve Bank may discount it, even though the paper has a maturity up to six months from the date of discount.

One of the most important and constructive pieces of legislation in the history of our country was that which created the Federal Reserve banking system. That act was not drawn by theorists, doctrinaires, or visionaries; the ablest banking brains in this country collaborated in its preparation, and it was recognized by them as well as by the members of Congress who passed the law that farmers' paper, considering the character of the business of farming and its importance to this country and the intrinsic soundness of the obligation, deserves to be favored over other commercial paper. The manufacturer of silk or steel has a turnover which enables him to pay his paper in three or four months. The farmer's business is a seasonal one, with a much longer lapse of time between the time of borrowing the money and the date of ability to pay, for that date occurs only when the crops have been harvested and sold. Despite this advantage given to farmers' paper, such notes are a comparatively trifling percentage of the commercial paper in a bank's portfolio. To increase crop production requires that this condition of affairs be changed.

Every banking institution in this country to-day applies an acid test to applications for loans. Is the note which it will receive capable of discount with the Federal Reserve Bank? In these war times the banks feel an urgent

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need of being liquid—many of them too strongly perhaps—since it is a bank's business not merely to be liquid, but to promote industry by lending freely. Six months' notes of the United States Steel Corporation or of the Pennsylvania Railroad would not be capable of discount by the Federal Reserve Bank, and it may well be imagined that institutions as strong as these might therefore have difficulty in making a large loan on their six months' paper. Yet the six months' paper of the smallest farmer is capable of such discount by the Federal Reserve Bank. The task, then, for some one is to get the farmer and the country banker acquainted with one another, to remind the country banker that the six months' paper of the farmer meets the acid test of being capable of rediscount with the Federal Reserve Bank. Whose is this task, and is there a way for the country banks to safeguard the credits they would be making in lending money to the farmers?

The Patriotic Farmers' Fund

A year ago a group of men in New York, realizing the vital need of increased production, knowing that thousands of small farmers had the labor and the equipment but needed small additional capital in the shape of an unsecured loan, devised a plan to increase the crops of their State. These men knew that conservation was not enough; that the needs of our country and of our allies require vastly increased production. Incredible as it sounds, by spending $15,000 they increased the crops of their State by eighteen millions of dollars. They raised a fund of $500,000 and called it the Patriotic Farmers' Fund. They deposited it in two New York banking institutions and called into conference the State Grange, a farmers' organization. The State Grange appointed seven hundred local committees throughout the farming districts of the State. The two New York banks notified all the country banks that loans of not to exceed $150 each, approved by the local committees of the State Grange, could be made by the country banks to the farmers, and that they (the New York banks) would take over those loans. The local committees were not asked to guarantee or endorse the notes made by the farmers receiving the loans, but were asked only to determine and certify to the country banks that the borrower's character and record were such, in their opinion, as to justify the loan; the local committees, in short, acted as credit men.

The story of what happened to this fund has been fully set forth in an article appearing in the New York *Evening Post* of February 23. It need not be retold at length. The result of the campaign was to increase the planting of the State by almost three hundred thousand acres and to augment the production of the State by about $18,000,000. The loans have been found to be good. The only expense of the transaction was the overhead expense (amounting to $15,000) of running the business of the Patriotic Farmers' Fund.

A Similar Plan for the United States

All the States of this country have farmers' organizations. Cannot the Federal Reserve Board by proclamation, appeal, and publicity put into action those forces which will create from Maine to California results like those achieved by the Patriotic Farmers' Fund? Surely such an appeal from such a source made to the country bankers, to the farmers, and to the farmers' organizations would be heeded. The Governor of every State in this country could be asked by the Federal Reserve Board to designate a State committee to awaken these great latent forces. No new law is necessary. No new machinery need be constructed. It needs but to ask the country banks and the farmers' organizations to function as they are organized to do, for under the present law six months' paper of farmers is an available asset for rediscount, and therefore the banks of this country can do on a national scale what the Patriotic Farmers' Fund has done in New York. And if the New York experiment is an index of what may be accomplished by a nation-wide movement of similar character under the leadership of the Federal Reserve Board, one may justly hope for billions of dollars of crop increase through such channels.

For us who have the resources in equipment, labor, and capital, it will not do to be content with a slight increase in percentage of crop production. Crop production should be nothing less than doubled. Particularly must the production of the small farmer be increased, for if this farmer and his family can till about eight or ten acres more, as was done by the farmers of New York, aided by the Patriotic Farmers' Fund, vast crop increases can be accomplished without economic disturbance or labor problems; thereby the various communities throughout the country can be made self-supporting and transportation facilities left freer for war purposes.

The war has brought the need of much new legislation. Statutes have been enacted governing property of enemies, the control of the railroads, the commandeering of property for war purposes, the financing of war business. The business of farming, however, can, it is believed, be made to leap forward by giant strides with nothing more than the speeding up of existing mechanism. The Federal Reserve Board is composed of a group of able and far-seeing men. Can they not, by directing the earnest attention of this country to the manner in which the Federal Reserve banking system is capable of use to increase farm production, achieve genuine and important results? The farmer and the country bank must pull together, and it is through the agency of the Federal Reserve banking system that this pull can be made the long pull, the strong pull, and the pull altogether.

POSSIBILITIES *vs.* PROBABILITIES

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Scientific Appraisal and Agricultural Development

By CHARLES A. STANTON
Expert Agricultural Appraiser

THE large amount of discussion now going on concerning our farm-land problem is resulting in the bringing forward of many new ideas and practical plans. But we have already witnessed the failure of a number of excellent plans that should have been a success; and before we try out more new plans, we should find out what is fundamentally wrong with our farm-land system. Why do we find as many improved farms for sale as we find improved farms occupied? Why have we so many millions of acres of good agricultural land unoccupied and for sale at the same time that we have so many hundreds of thousands of landless people who want farms and are unable to get them? Why do we find so many abandoned farms in our most densely populated States? Why do we find more people living in the State of New York owning farms in the State of New Jersey than there are actual farmers in the State of New Jersey, with the best railroad and market facilities in the world? What is the cause of such conditions? You walk into the office of any New York banker and ask for a loan of $2,500 on 1,000 acres of good agricultural land worth $20,000, and the banker will refuse the loan: first, because he has no way of ascertaining the value of the land without a special investigation, the responsibility and difficulty of which he does not care to assume, and second, because he knows that the value placed on the land, regardless of how conservative it may be, will not be recognized for any other transaction. If you offer the same banker $5,000 stock of a standard industrial corporation for the same loan, you will get it. Ask him why he prefers the $5,000 stock to the $20,000 land, and he will tell you: "I accept the stock in preference to the land because the stock has a recognized commercial value and the land has none. I know the land has a greater and more permanent value than the stock, but unfortunately agricultural land is not sufficiently recognized by the investing public to make it a convertible security—the only kind I am permitted to accept." His position is clear. He is willing to accept the land as security if it were possible for him to do so. The absence of public confidence in farm-land values prevents agricultural land from being recognized like other substantial securities.

Why is it that farm-land values are not recognized for commercial purposes by the investing public? The answer is substantially this: In the agricultural development of our country, and especially during the colonization period of our public lands, we never had occasion for any extensive commercial treatment of farm property and therefore made no preparation for the new state of affairs in which we find ourselves to-day. We have been drifting along, permitting land credit, colonization, and all matters concerning agricultural land to develop without any organized commercial action. In the meantime, bankers, mortgage companies, land men, and all dealers in land credit and land values have been compelled for their own protection to adopt their own methods for handling farm property. As a result, we find in use to-day over one thousand different appraisal methods for determining farm-land values. The use of these various appraisal systems operating in competition with one another has prevented the national unity required for public confidence. The investing public will not recognize agricultural land for commercial purposes while we have in use over one thousand different methods for determining the value of land, especially since these appraisal methods are based upon personal opinions rather than upon agricultural facts, and are being exploited for private interests rather than for public benefit. While the bankers, mortgage companies, and all other dealers may be entirely satisfied with the present system, yet it is evident that so many conflicting appraisal methods are destroying rather than developing a standard commercial rating for agricultural land.

Since the Federal Land Banks have several hundred appraisers making use of the present system, it may be difficult to divorce ourselves of that system, but we must do so if we ever expect our farm-land business to reach a higher commercial level. We must do away with the present inefficient, haphazard appraisal methods that are now giving opportunity to irresponsible land men. We must cooperate in the use of a standard formula for determining farm-land values; otherwise we shall always have more or less difficulty. We must standardize our agricultural appraisal service for commercial purposes. Without standardization we cannot handle long-term credit with satisfactory results. Without it we cannot bring about the proper distribution and settlement of agricultural land. Without it we cannot put into execution the practical plans that are necessary to increase our productive population to what it should be. Without it we cannot make the improvements necessary to better conditions of rural life.

If you analyze a farm-land transaction, whether it be a matter of credit, sale, or exchange, you will find the value of the land the most important factor. It matters not how the transaction shapes itself; if the value of the land is right, the transaction will eventually prove itself satisfactory to all concerned. It is the value of the land that regulates the transaction, and it is in the appraisal that all parties to the transaction have a common interest. When we standardize appraisals, we provide the common medium through which owners, investors, bankers, lenders, agents, borrowers, purchasers, farmers, colonizers, and all others can coöperate. Again, if we want a land system that will endure, we must take for our base the interest and welfare of the farmer. The farmer's greatest difficulty to-day is his inability to establish the value of his farm independently of those with whom he is compelled to do business. He has no alternative. The present system not only compels him to accept inefficient appraisals without responsibility, but requires him to purchase a new and complete appraisal with every transaction. In a majority of cases, indeed, he has to buy more than one appraisal for a single transaction. The additional costs and the different values arising from the duplication of appraisals have frequently caused the farmer to lose confidence in the value of his own farm. Many good farmers have abandoned farming for no other reason.

An abundance of cheap capital supplied by the Federal Land Banks and other responsible farm mortgage institutions will not entirely satisfy the average American farm-

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er, who holds the value of his farm, recognized by the investing public, to be of more importance to him than his credit value, established by the mortgagee. The farmer has a greater interest in the value of his farm, which represents his labor, earnings, and savings, than he has in his land credit, which represents an obligation. The average American farmer is unlike the European peasant, who has been trained to take what is offered him. It is well to understand European and other land systems, but it is better to remember that the average American farmer not only wants good credit, but he wants to handle that credit as he sees fit. He wants to be in position to get the full benefit of all the competition available. He wants his farm security recognized like other substantial securities. He wants to handle his farm-land transactions more intelligently and economically. A universally recognized and accepted standard formula for determining farm-land values will give him these rights and advantages. If we give the farmer at a nominal cost access to a recognized and responsible appraisal service to help him establish and maintain the value of his farm for commercial purposes, we shall not only remove the evil of our present system, but shall be doing more to help solve our great land problem than any other single existing agency, private or public. The standardization of our agricultural appraisal service is an economic necessity. It will teach us the commercial value and real purpose of agricultural land as well as establish public confidence in all farm-land enterprises. For the increase of agricultural production, which is so necessary to the successful prosecution of the war, and is no less necessary if our industrial life is to be maintained on a sound basis, we must put farming on a sound business foundation. To determine accurately the commercial value of land will greatly aid this process.

A standard practical formula for the appraisal of agricultural land in all agricultural sections follows:

First, by examination and analysis of the soil and by investigation of the water development and climatic conditions, the physical condition of the land is determined.

Second, by the physical condition of the land and the Schedule of Agricultural Facts and Statistics prepared for the district, the staple crops best adapted to the land are determined.

Third, take the average annual yield per acre of the principal staple crop adapted to the land, and multiply it by the average market price of that staple crop, and after adding the value of by-products, if any, multiply the sum by the average life of the plant as shown by years, and the result will be the gross income per acre during the life of the plant.

Fourth, take the gross income per acre during the life of the plant, and subtract therefrom: first, the average percentage allowed for crop failures, pests, deterioration, rotation, etc.; second, the initial cost of planting; and third, the average cost of upkeep, harvesting, and marketing during the life of the plant, and the result will be the net income per acre during the life of the plant.

Fifth, take the net income per acre during the life of the plant and divide it by the life of the plant as shown by years, and the result will be the net income per acre per year; which, when multiplied by ten, will establish the physical-productive value of the land on a ten per cent. basis, the usual conservative basis.

Sixth, with the physical-productive value determined, the commercial value, involving location, schools, churches, markets, transportation, public utilities, warehouse facilities, etc., essential to proper land settlement or extensive agriculture, will be determined by the Schedule of Agricultural Facts and Statistics of the district, and as either a minus or an added value to the physical-productive value, will establish the commercial value, or value of the land without improvements.

Seventh, with the commercial value, or value of the land without improvements, determined, the value of all improvements, including buildings, fences, wells, growing crops, etc., is divided by the acreage, and the result, added to the commercial value, will establish the improved-commercial value, or value of the land improved and cultivated.

Eighth, with the improved-commercial value determined, showing the value of the land, with or without improvements and cultivation, the potential value, involving additional cultivation, fertilization, scientific treatment of soils, or additional improvements or development on the land or in the vicinity, is determined by the Schedule of Agricultural Facts and Statistics of the district, and is an added value to the commercial-improved value.

The above formula embodies all the fundamental principles necessary for the practical determination of the value of agricultural land. It includes an examination of the land's physical condition to determine its adaptation to the principal crops growing in the district. It includes a mathematical calculation of the average prices and yield taken from ten years' previous operation in the district. It allows for results in crop failures, deterioration, etc. It provides consideration for all the living advantage, social and commercial, necessary for proper operation. It is based upon proper operation, leaving it to the energy and ability of the farmer in charge to bring about proper operation. It eliminates personal opinion so far as it is humanly possible to do so and gives us the result of the actual facts and figures found in the appraisal district in which the land is located, coupled with the location, physical condition, and development of the farm appraised. It provides an equitable valuation, and if handled by a responsible corporation with an organization trained for the development of agricultural appraisal efficiency, it would soon be universally recognized and accepted for commercial purposes and would become a valuable operating unit in the agricultural development of our country.

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The War and South American Trade

By W. S. KIES

Vice-President American International Corporation

BOTH the export and the import trade of the United States with South America have made rapid gains during the war. We are, of course, especially interested in the growth of our exports, but we must also continue to increase our imports, especially in the class of merchandise which South America supplies; for the bulk of our importations from South America is tropical. Such imports have grown from $198,000,000 in 1913, the year preceding the war, to $600,000,000 for 1917. The United States now requires for the consumption of its people over a billion dollars' worth a year of tropical and sub-tropical products, chiefly sugar, coffee, cocoa, fruits, rice, India rubber, fibres, gums, cotton, silk, tobacco, and many other articles of minor importance, and the value of this class of tropical products entering continental United States has grown from $335,000,000 in 1900 to $1,425,000,000 in 1917. During the war period such imports from South America have practically doubled in volume, the increase occurring especially in coffee, cocoa, wool, hides, copper, and nitrates. Three great conditions are the principal causes of this growth: increasing demand on the part of the United States, increasing convenience of the United States as a distributing market for those South American articles in excess of her own requirements, and higher valuations of merchandise since the war.

It is, however, in the growth of our exports to South America and the probability of the permanency of that gain that we are especially interested. The special interest which we feel in the growth of exports to South America is due to the fact that they are composed almost exclusively of manufactures; for the future of our export trade lies in manufactures. We are no longer producing any considerable surplus of raw manufacturing materials other than cotton. Foodstuffs formed 42 per cent. of our exports in 1890, 40 per cent. in 1900, 22 per cent. in 1910, and 18 per cent. in the fiscal year 1914, all of which preceded the war. Raw materials for use in manufacturing formed 30 per cent. of the exports in 1890, 23 per cent. in 1900, 33 per cent. in 1910, and 34 per cent. in 1914. Manufactures formed 21 per cent. of the exports in 1890, 35 per cent. in 1900, 45 per cent. in 1910, and 48 per cent. in 1914. The steadiness of the raw materials is due chiefly to cotton, and we are increasingly anxious to see as much as possible of that cotton turned into the manufactured product before being sent out of the country.

Our greatest interest in the growth of our export trade, then, lies in increasing the export of manufactures, which must be the principal element in future expansion. Manufactures entering the international trade of the world aggregated in normal times about seven billion dollars per annum, of which we supplied only about one billion, or one-seventh of the total, despite the fact that the United States is by far the largest manufacturer of the world, the value of our outturn of manufactures immediately preceding the war being as much as those of any other two countries of the world. We must turn to manufactures for the future growth of our export trade.

It is probable that between 80 and 90 per cent. of the merchandise imported into South America consists of manufactures. Of our total exports to South America prior to the war, manufactures averaged about 85 per cent., and the European percentage was doubtless higher than our own, since Europe has no foodstuffs to spare and very little of manufacturing materials, except coal. With these general facts in mind, we may enter upon a careful analysis of the growth of our exports to South America since the beginning of the war.

Prior to the war, South American imports had steadily advanced from $630,000,000 in 1906 to $958,000,000 in 1910, $970,000,000 in 1912, and $1,033,000,000 in 1913, the year immediately preceding the war, these figures being an aggregation of the official import figures of all South American countries. The year 1913 was the high-water mark. With the beginning of the war there was a sharp and sudden decline, the aggregate imports of all countries falling to $670,000,000 in 1914 and $536,000,000 in 1915, the total in 1915 being but slightly more than one-half that of 1913. In 1916 there was a slight increase, the total for that year being $646,000,000, while the fragmentary figures thus far received suggest that the value for 1917 will be about the same as that for 1916. Even this fall of 37 per cent. from $1,033,000,000 in 1913 to $650,000,000 in 1917 does not fully measure the decline in quantity, since in most cases there has been a marked increase in value per unit of quantity, except for merchandise entering Argentina, which is still valued by the same rates of valuation applied prior to the war. Probably the imports of 1916 or 1917 represent but about one-half of the quantity of 1913.

We are especially interested in the share which the United States is supplying of the imports of South America; for if we are supplying a materially larger proportion of her imports, we may hope to retain a corresponding share in the future growth of those imports, provided, of course, our merchandise is giving satisfaction and can be sold at as low a price as that of our European rivals. Prior to the war, the South American countries took from the United States from 13 to 16 per cent. of their imports, and with the beginning of the struggle the percentage rapidly increased to 18 per cent. in 1914, 34 per cent. in 1915, and 36 per cent. in 1916. As to 1917, we can only estimate; but utilizing the best information available, we are probably justified in assuming that approximately 50 per cent. of the imports of the continent during the past year were drawn from the United States.

This rapid gain during the war is doubly encouraging when we remember that manufactures form the bulk of our exports to South America—products such as cotton goods, oils, agricultural implements, automobiles, railway cars, tin plate, and various manufactures of iron and steel.

If our manufactured articles prove satisfactory, and if they can be supplied at prices as low and on terms as favorable as those of the European countries, we may expect, with the improved facilities which the banks of the United States are now offering in South America, to retain a very considerable percentage of the gain we have made.

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It must be remembered, however, that none of the countries which formerly participated in the import trade of South America will abandon that field after the war. On the contrary, they are preparing in every case to redouble their activities in order to regain the share which they formerly held of that trade and to increase their respective totals as rapidly as circumstances will permit. Most of the trade machinery which they had established on that continent, and by which they had secured such a large proportion of its commerce, still remains. The responsibility for the continuation of the growth of our share of the import trade of South America will therefore rest chiefly with our manufacturers. They have gained a new foothold and an important one, but they must fight to retain it. They must make the quality of their products as good as the best; they must sell at as low a price as do their rivals and on as accommodating terms; they must fill the field with alert, tactful salesmen speaking the language of the country in which they operate, and must keep them continuously in the field, thus assuring improved service and sales, with increased acquaintance with the people and their requirements.

There is, of course, one factor of greatest importance in the continued development of our trade with South America. To what extent will the necessities of war restrict our exports? At the present time practically all our foreign trade, both import and export, moves only under license issued by governmental authority. Our country, at the present moment, is being reorganized industrially, with the sole purpose of stimulating production along the lines needed for the equipment of our armies. The efforts of labor and capital must be directed in these lines, and this may bring about drastic restrictions in the manufacture of non-essentials. The importation of things not needed for the prosecution of the war will also be restricted. As the situation becomes more acute, the lack of transportation may cause still further restrictions. This will of necessity curtail our trade with South America and presents an element in the problem which is extremely serious. We may rest assured, however, that the Government authorities appreciate the value of foreign markets to the permanent prosperity of this country, and that every possible effort will be made to foster and encourage our trade with South America, enabling our manufacturers permanently to maintain themselves in the markets which they have been permitted to enter during the war.

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The Gold Bonds of the Allies

By C. FREDERICK CHILDS

THE loan of a Government, as such, presupposes that the nation borrowing the money is entitled to an accommodation which it seeks with unimpeachable good faith. Such a trust is founded on the strictest observance of all past commitments and is supplemented by the lender's recognition of the general standing of the borrowing Government and its estimated resources. No precedents exist for the colossal expenditures which this war has entailed to date, although history records that the finances of nations have frequently been tested to the breaking point to meet the financial requirements of like crises. Who would have ventured to predict that any country could meet the expenditures of the war already incurred? Yet it is likely that we have only begun to witness the multiplication of the debts of the principal warring nations. In one respect the present position of these nations differs from all others in that the Allies comprise virtually all the wealthy nations of the world and that they are all banded together with a common objective. To this end each of the Allied nations is assisting the others by a most generous interchange of necessities. Unity of interest is essential to hold the financial fabric together and maintain a workable exchange basis.

The control of the necessities, utilities, and luxuries. and also of the means of transporting them throughout the world, is just as truly an asset of immeasurable dimensions as would be a specific tangible amount of negotiable securities. The convertible material from the different parts of the world and the products of the skill of men are of prime collateral value when a nation in control of such assets desires to anticipate their delivery in the future by arranging a loan. America has merely extended credit to the Allies when accepting their loans and has given the Allies, as her customers, time to pay their debts. No nation has been able to live and prosper without reference to international commerce and trade with the world. The interchange of commodities among nations is just as essential for the establishment of credit as the interchange of merchandise among individuals. The foundation for such credits is largely dependent upon the known commercial characteristics and wealth of a nation. There must be taken into account the per capita size of the existing debt, the size of the population and its enterprises, the revenues from its economic resources, both timber, minerals, and crops, also an appraised estimate of the development of its manufacturing industries and consequent correlative improvements. These constitute the economic vitality of a nation. The power of taxing them supplements their market value in support of any credit desired.

The experiences of the past have demonstrated that a liberal application of taxation is the surest method of financing every great national crisis. The record of the Napoleonic wars indicates that at that time, fully 100 years ago, over 40 per cent. of the cost of the wars was paid by

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direct taxation. With a spirit of patriotic acquiescence the people of the Allied nations are to-day coöperating in the Government's control of public and private affairs, so that taxation at present is estimated to be producing over 25 per cent. of the actual daily cost of the war. It is calculated that at the present time the capital value of private property has actually risen since we entered the war. When a democratic people exhibit such complete submission and loyalty to a nation's administration and call for sacrifices, their integrity certainly warrants confidence in the credit which they request. Patriotism assures a government the public support that will safeguard all moral and financial obligations. The pledging of the honor of a people no less esteemed among nations than our own is adequate insurance that their obligations will be met by their ability to surrender the fullest measure of their labors. The productive forces of a people supplement their visible assets.

A national loan should not be regarded as in the same class with a State, municipal, or corporation bond, since the Government's debt supersedes all obligations of such minor political bodies and subdivisions. The sacrifice of the credit or solvency of any municipality of a nation is of small importance when the financial standing and integrity of the sovereign state is at stake. In the latter case, the faith and credit of the entire nation and all of its units is pledged to honor its obligations, and taxes may be levied accordingly without regard to the needs of any subordinate community or corporate body. From an abstract point of view, a national loan is a veritable mortgage on the integrity, good faith, and taxable assets of the people. A nation's reputation and financial standing among the peoples of the world must be unquestionably sound. This necessitates first and foremost the existence of a credit rating which shall be unquestioned. A government bond is primarily nothing but a superior form of credit. Therefore, if the obligation of governments dominating nearly three-fourths of the earth and controlling nearly half the world's population is not a sound investment, then no security, local or foreign, should be judged safe.

The default of a national obligation would be a calamity to its commercial structure. The world's commerce will not and cannot be handicapped. Even in the case of Russia, her future development and prosperity will be permanently jeopardized until her every external debt is faithfully discharged or until her Government reinstates its pledge and recognizes it as more than a "scrap of paper."

In the case of the separate bond issues of the Governments of Great Britain and France now outstanding in this country, all are secured by a deposit of specific collateral with the exception of the Anglo-French 5 per cent. loan. These issues represent a total credit of $1,394,500,000. They will all mature well within four years. The money which these loans produced was virtually expended as a whole in the United States in payment for commodities from which the American people received the benefit and profit. The United States Treasury Department is at present advancing to these same nations in the form of further credits for purchases in this country fully $200,000,000 a month. In return for these advances our Government accepts merely the unsecured obligations of the respective Allied nations. If our Government regards such credits as acceptable and dependable pledges for the ultimate discharge of the debts, it is inconceivable that the United States Treasury Department would not with equal willingness make any additional necessary advances to those nations for the purpose of redeeming and paying the bonds of the Allies which are now held by the American investing public. In proportion to our annual loans to England and France, coupled with our recognition of the physical contributions of those nations for our own common cause, the external loans of England and France now owned by the people of this country are relatively insignificant in their totals.

Is it conceivable that the great American Republic will allow the credit of such allies or their debts to us to be weakened by any reluctance on the part of our Treasury Department to supply the funds with which to meet their maturing obligations? What kind of a people should we be to countenance a default of a dozen hundred million dollars which has been expended to protect us from an enemy which has boasted of its sinister designs against us and our allies? Should England and France be forced to surrender, because of any lack of an extension of credit facilities by this country, the market value for Liberty Loan bonds would promptly reflect the future humiliation which would await us.

To doubt the safety of the bonds of Britain and France is to regard as worthless the variety of securities collaterally securing them. It would be an admission of the subjugation of two of the world's foremost nations, a confirmation of the end of democratic government, an acquiescence in the smothering of the world's liberty, and finally, a participation in a shameful act of homage before the mediæval rulers of Prussia! Were all this to be accomplished, no security in the world could be regarded as safe.

The Business Man's Opportunity

By A. WELLINGTON TAYLOR

Director, Wall Street Division, School of Commerce, Accounts, and Finance of New York University

THERE are few to-day who will deny the possibility of a science of business, not an exact science such as mathematics or physics, but a science in the sense that it is possible by an inductive study of industry to formulate principles which operate in sound business practice. Leaders in industry have been the first to recognize the need for scientifically trained business men and are the most enthusiastic supporters of the advancement of the scientific study of business methods.

The rapid expansion of the industrial life of the United States in the past created unlimited opportunities, and it has not been essential to a successful career that a young man have a thorough knowledge of the fundamentals of business. More recently the sharpening competition within our own borders has shown clearly the necessity for thorough preparation. Industrial concerns throughout the country are demanding men trained to fill responsible positions, men who are familiar with the principles of business and not men who have a knowledge of routine only. Economic conditions following the war will open up new opportunities. Channels through which business has been flowing have been interrupted, and we have been given, as it were, a fresh start in which new countries like our own will have equal chances with other and older countries. If the United States

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is to play a part in the industrial development after the war, it must do so through the agency of men carefully trained in the fundamental principles on which successful commercial activity is built. The demand for trained men which has been growing gradually from year to year has, in the light of new conditions, taken on additional impulse and greater importance.

The prime essential in business education is to train men for a business career. To this end we are embarrassed at the outset by two serious obstacles: first, the lack of subject-matter organized for teaching purposes, and second, the lack of trained teachers. It would seem as if little progress had been made towards the science of business if we lack two such important factors. But this is not true; for with the removal of the prejudices of the self-made business man and the common agreement that a science of business can be formulated, the way has been opened for surmounting both difficulties. We can accomplish the desired result through the development of economic science since economics is to business what chemistry and physics are to medicine and engineering.

The failure of economic science to influence vitally the conduct of business in the past has been due to the absence of an adequate body of facts organized and interpreted. The material which is used by teachers of economics to-day is, for the most part, the classical economics of half a century ago, and, without questioning the soundness of the conclusions of early economists, we must agree that the present industrial world is not the world of John Stuart Mill or Adam Smith. Economic science of the present needs new facts and new interpretations. Not until intensive research in modern business is carried on under the actual conditions of business by trained men shall we have the material that is necessary as a basis for teaching and for training business men.

On the whole, men who are now interested in doing advanced work in economics are working without adequate laboratory facilities. Most of the colleges and universities conducting research work in economics, either in the advanced undergraduate work or in their graduate divisions, are too far from the large industrial centres to study current industrial problems at first hand. The result is that the product of advanced work in the form of theses for advanced degrees, which ought always to be real contributions, are more often the elaboration of some outworn theory of wages or interest. Advanced work is in this condition, not because teachers wish to encourage fruitless endeavor on the part of students, but because they have not the facilities with which to meet a real need.

The engineer can equip his laboratory for the study of actual problems anywhere, but the economist cannot. His is a social laboratory, and he must go to it. For that reason the financial section of a large city like New York offers an ideal field for the study of the perplexing problems of economics and of scientific business. The logical place to establish an institution for medical research is in a congested district where the problems of health are greatest and most varied. The place to establish an institution to study economic problems of our industrial life is in a great commercial and financial centre where every phase of the problem is intensified and every form of the problem is to be found.

Not only teaching, but actual business transactions are coming more and more to a basis of statistical data. This fact makes it imperative that a large body of facts be collected and made available for business use. There ought to be a central location where all existing material bearing on commerce and finance might be brought together. A working library combined with a commercial museum would be in a position to collect the largest amount possible, and with a well-trained library staff it would be able to classify and organize such material and make it available for any one who might wish to consult it. Not only would this material be of great value to the business houses directly, but it would be the basis for research work. Quite as important as the collection of such data is its interpretation. A group of research students working under the direction of men capable of directing research would be able to interpret and make available for common use data now in large part unused.

Economic science has not had the growth commensurate with the attention which has been given it in the past fifty years. The condition of mutual distrust which has existed between the business man and the student has seriously retarded the proper development of the science. The failure of the scholar to study concrete commercial conditions has caused him to develop a philosophy of business only remotely related to the actual practice, and on the other hand failure of the business man to recognize the value of analytical study of economic phenomena has resulted in a loss to him of theoretical understanding. Each has developed independent of the other. Economics will become vitalized only when business men realize the possibilities there are in its progress, when more material facts of actual business are collected and made available, and more careful analysis of the facts already at hand is made. Obviously, the most pressing needs of economics as a science are, first, inductive study, the collection and analysis of material; and second, the synthesis of economic phenomena, the arrangement of correlated facts from various phases of the subject and the rational and necessary deductions which must follow.

It would be impossible for an institution conducted jointly by business men and a group of the best trained men in economics to change completely the direction of economic investigation and teaching, vitalizing the subject and making a real science of it. This remains yet to be done, and no place offers the opportunity that exists in New York.

If the proper conditions were created for economic study in close proximity to business, there would be no difficulty in gathering adequate forces of well-trained men to conduct investigations and collect data. The tendency in economic study to swing from the so-called classical economics to the study of actual business conditions has led a great many students who are working apart from large industrial centres to want closer touch with commercial conditions in large cities. In a majority of cases these men are overloaded with teaching and administrative duties in their own colleges and are not financially situated so they can take a year's leave of absence. Their services are lost to research and the development of the science of business because no provision is made to put them into contact with the problems they want to study and under conditions that will make for success.

A rare opportunity exists for the development of such an institution as is described above in New York. Here, in one of the largest industrial centres of the world, is a laboratory at hand which could be supplemented by a complete commercial museum and a library of commerce and industry

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containing all the available material related to commerce. Here also could be drawn the best students of the country, men already trained in research, and from among them would come the teachers of commercial science. If such an institution had the adequate support of capable business men, the result would be a development in economics which would become the basis for a new science and for the training of the kind of men we need to conduct our business institutions. It would furnish the two things which we now most lack: material, to form the content of courses in commerce, which has resulted from a study of actual business conditions by trained men; and teachers who are equipped with a training in industry, together with a knowledge of facts and an understanding of business conditions. The innumerable and pressing problems in industry which are also economic problems, the failure of economic science as at present developed to meet the demands made upon it, the necessity for wise and sympathetic legislation affecting all phases of industrial activity, and the growing demand on the part of business for men trained in commercial science, all create an opportunity which ought to appeal strongly to men who are interested in the present and future of our industrial life.

No adequately endowed institution working along lines suggested above exists at the present time. Technical trade schools are located in the city of New York with endowments of from two to nearly four millions each. The largest endowment now at the disposal of any school of commerce in the United States amounts to a little over a half million. Chicago University has recently received an endowment of approximately $2,000,000 for a school of commerce, but it is not immediately available.

The basis of financial support ought to be commensurate with the opportunity presented. It should equal or exceed that now held by any school of commerce. In addition to an endowment, various business organizations such as the Stock Exchange, insurance and foreign trade organizations, and the investment bankers could with great profit to themselves devote sums to special work in either teaching or research. Other kinds of support might take the form of underwriting certain courses, a thing which has already been done to a limited extent by some organizations.

Amid war conditions, the hardest pressed nations are discounting the future to the extent of increasing their commercial education at a time when they are making great sacrifices, realizing that adequate training along commercial lines cannot be given overnight, and that that nation stands the best chance of economic success which at the conclusion of peace has a large body of well-trained men who are ready to develop its commercial interests. Recognizing the severity of the business competition that will develop in the years after the war, American business men can do no less than make the preparations that are required to meet it. The most fundamental preparation is the development of trained men. In the past we have gained an easy business success because of our unexampled natural resources. Those days are past; henceforth we must rely on our brains, and on the men who have learned to use their brains.

The United States and the Orient

By A. BARTON HEPBURN

Chairman of the Advisory Board, Chase National Bank

FOR many years there have been certain influences at work tending to provoke hostility between the United States and the Orient and to prevent the establishment of entirely friendly relations. Chief among these has been the attitude of organized labor towards the Eastern nations. The fear that any legislation or treaty agreement permitting an influx of labor from the Orient would be detrimental to the interests of labor in this country has inspired a continuing opposition on the part of labor to any measure leading towards increased friendliness of closer relations with the nations of the Far East.

Naturally, to justify this opposition and opposition from other causes, criticisms, both warranted and unwarranted, have been made of the Japanese and Chinese peoples as a whole. The residents from these nations in this country have been prosecuted and often persecuted. Provisions have been ingrafted in the Constitutions of many States prohibiting any legislation tending to relax the exclusion policy for many years maintained by us against the Orientals. This attitude has been a continuing source of irritation to the Eastern nations, and especially to the sensitive Japanese.

We grant to the representatives of the Caucasian race, no matter from what country they hail, the right to become naturalized American citizens. The inhabitants of Turkey, of Armenia, the Balkan states, the states surrounding the Mediterranean, etc., may come to the United States and secure citizenship as soon as the provisions of the statute have been met. The Russian Bolsheviki and the malcontents and disturbing elements of other nations have the same privilege. Americans are ambitious of bigness. Immigration has been fostered. The railroads wanted settlers to develop business along their lines. New towns, and even old, in order to increase labor and foster growth and development, advertised the fact that immigrants by becoming citizens were entitled to homesteads free. Under the Homestead law these people have been given large tracts of the public domain—land which should have been kept for our own citizens.

We are beginning to realize, however, that we have been too free with our citizenship and our public domain, and that we have made haste to give away what we should have kept. After we have experienced to the limit this "war of frightfulness," we may alter our present policy. The whole German propaganda, involving the destruction of munition factories, the placing of bombs upon merchant vessels carrying food and other supplies for Germany's enemies, the blowing up of bridges for the purpose of wrecking trains, etc., with the consequent loss of human life, will very probably tend in future to curtail and restrict the opportunities heretofore given the Caucasian race throughout the world to migrate to America and become American citizens with all the privileges thereto attached. Conservation of the rights of our existing citizenship will in the future, I believe, be a more important influence in the minds of our statesmen.

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But is there any reason why at present the privilege of citizenship should be open to all the races and peoples just mentioned and competent and educated Japanese still be excluded? Any intelligent person will not compare these types of citizens with the Japanese, except to the advantage of the Japanese. No one would argue that the Japanese as a nation have not demonstrated their claim to parity with the other nations of the world in respect to their ability, their education, their character, and their entire civilization. The only possible criticism of them which can be made—if indeed it be a criticism—consists in the racial difference which exists between them and the Caucasians. But can this difference long be made the basis of a discrimination against them? The present war will be a great leveller of world conditions. Caste and class are receiving their death-blows. Both individuals and nations hereafter will be considered upon their merits—upon their worth as civilizing factors and promoters of the world's real progress, and not upon their class or the color of their skin. Can the United States and Canada expect long to maintain their present attitude towards one of the most advanced of the world's nations, merely because that nation belongs to a different branch of the human family?

In addition to the hostility of labor towards the Oriental nations, and fostering that very hostility, has come the German propaganda in this country. As the time approached when Germany determined to precipitate the world war, she began with all the greater care to lay the foundations for the world-wide propaganda which she had devised and determined to carry through. Her policy was to detach Japan from her British alliance, and her plan for its accomplishment was to stir up trouble between the United States and Japan and Canada and Japan.

Those who realized, in the beginning, the meaning of this German propaganda were necessarily very anxious to do anything and everything to militate against it and secure friendly understanding and peaceful relations with the Orient. An indirect but powerful means to this end seemed to me to be provision for the education of the Japanese in the ideals of American Government. Such provision would not only indicate the friendly interest of America in Japan, but would instil in the Japanese the ideals of our democracy and help to create a sympathy and understanding in Japan of America, her people and institutions.

The self-interest of America—I mean, of course, her enlightened self-interest — would from every consideration prompt the cultivation of entirely friendly relations with the Orient, for the Orient offers a greater field for commercial activity and development than any other country in the world. China alone has two million square miles of practically undeveloped resources and four hundred million people among whom to find a market for our merchandise. The Japanese, as we are learning and shall come to know more fully through our alliance and military and naval cooperation, are people upon whom we can depend. Their desire is evidently to establish the most friendly relations with us and to act fairly and squarely in any joint enterprise. As I write, Japan has held off her armies from Siberia to consider the opinions of America. We shall find the Japanese to be good friends, good neighbors, and good partners. Wise American citizenship should from every point of view inspire us all to make every possible effort towards bringing about wholesome, fair, and close coöperation between ourselves and the nations of the Orient.

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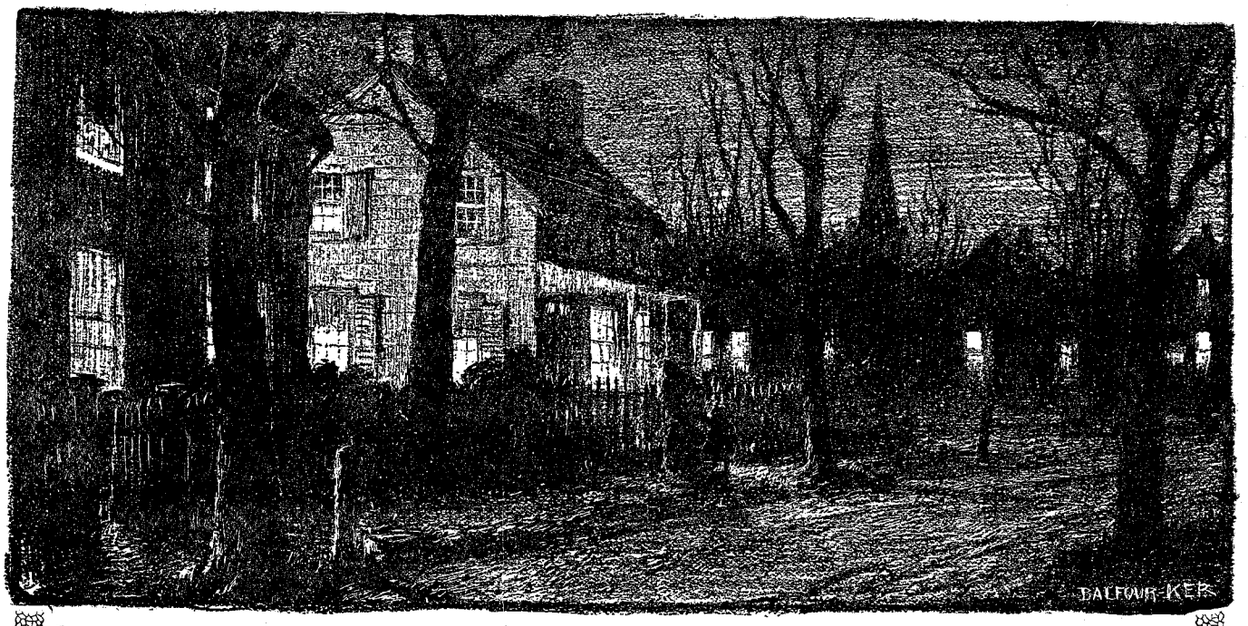

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